

COURT FILE NO. 2301 16114

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

APPLICANT MANTLE MATERIALS GROUP, LTD.

DOCUMENT **AFFIDAVIT (Conversion to CCAA)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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Attention: Tom Cumming / Sam Gabor / Stephen Kroeger

AFFIDAVIT OF BYRON LEVKULICH
SWORN ON NOVEMBER 27, 2023

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

1. I am a director of the applicant, Mantle Materials Group, Ltd. ("**Mantle**") and have personal knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I verily believe same to be true. I am also a Principal with Resource Land Holdings, LLC ("**RLH LLC**"), which manages private equity funds that invest in land resources and is based in Denver, Colorado. Mantle is an indirect, wholly owned subsidiary of one of these funds.

2. I am authorized to swear this Affidavit as a corporate representative of Mantle.
3. In preparing this Affidavit, I consulted with Mantle's management and its legal, financial and other advisors. I also reviewed the business records of Mantle relevant to these proceedings and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit.
4. All references to dollar amounts contained herein are to Canadian Dollars unless otherwise stated.

A. RELIEF REQUESTED

5. As will be described in greater detail below, on July 14, 2023 (the "**Filing Date**") Mantle filed a notice of intention to make a proposal (the "**NOI**", and the proceedings commenced thereby, the "**Proposal Proceedings**") under section 50.4 in Division I of Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), and FTI Consulting Canada Inc. ("**FTI**"), a licensed trustee, was named as the proposal trustee of Mantle (in such capacity, the "**Proposal Trustee**").
6. This Affidavit is sworn in support of an Originating Application under the *Companies' Creditors Arrangement Act*, RSC, 1985, c. C-36, as amended (the "**CCAA**") for an Order seeking, *inter alia*, the following relief from this Honourable Court (the "**Initial Order**"):
 - (a) abridging the time for service and deeming service of the Originating Application and supporting materials to be good and sufficient;
 - (b) declaring Mantle is a company to which the *CCAA* applies;
 - (c) declaring the Proposal Proceedings of Mantle under Division I of Part III of the *BIA* are taken up and continued under the *CCAA* pursuant to section 11.6(a) thereof, declaring that Division I of Part III of the *BIA* has no further application to Mantle, and terminating the Proposal Proceedings, provided that, notwithstanding the termination of the Proposal Proceedings, Amended Order (as defined in paragraph 66 of this Affidavit), the Auction Order (as defined in paragraph 85(a) of this

Affidavit) and the Sealing Order (as defined in paragraph 85(c) of this Affidavit) are taken up and continue to apply in these proceedings;

- (d) authorizing Mantle to carry on business in a manner consistent with the preservation of its business and property;
- (e) authorizing Mantle to pay the reasonable expenses incurred by it in carrying out its business in the ordinary course, including certain expenses incurred prior to the date of the Initial Order;
- (f) staying all proceedings, rights and remedies against or in response of Mantle or its business or property, or the Monitor, except as otherwise set forth in the Initial Order, and prohibiting any person from taking exercising any right or remedy which would prevent or interfere with Ritchie Bros or its agents and contractors taking possession of and the transferring the Equipment subject to the Auction Agreement to Ritchie Bros' auction site (as such capitalized terms are defined in paragraphs 77 and 78 of this Affidavit);
- (g) staying all proceedings, rights and remedies against or in response of RLF Canada Holdings Limited ("**RLF Canada**") or its property;
- (h) appointing FTI to monitor the business and affairs of Mantle (FTI, in its capacity as monitor being the "**Monitor**");
- (i) authorizing and directing the Monitor to hold the Net Sale Proceeds (as defined in the Auction Order, which is defined in paragraph 85(a) of this Affidavit);
- (j) authorizing Mantle to pay the reasonable fees and disbursements of the Monitor and its counsel, and the Mantle's professional advisors;
- (k) confirming the approval pursuant to the Amended Order of the interim financing agreement dated August 10, 2023 between RLF Canada Lender Limited ("**RLF Lender**") and Mantle and the non-revolving, super priority interim financing facility created thereunder in the maximum principal amount of \$2,200,000 (the

“**Interim Facility**”) and the taking up of the Interim Facility under section 11.2 of the *CCAA*;

- (l) (i) confirming the grant pursuant to the Amended Order in the Proposal Proceedings of the following charges, (ii) continuing and taking up under the *CCAA* such charges and the amounts secured thereby, and (iii) confirming such charges attach to all of the assets and property of Mantle and continue to rank in priority to all other charges, mortgages, liens, security interests and other encumbrances therein, and in the following order priority amongst themselves:
- (i) first – a charge in favour of the Monitor, its legal counsel, and Mantle’s legal counsel, securing the payment of their respective fees and disbursements to a maximum amount of \$425,000, pursuant to section 11.52 of the *CCAA* (the “**Administrative Charge**”);
 - (ii) second – a charge in favour of the RLF Lender to a maximum amount of \$2,200,000 securing the indebtedness of Mantle under the Interim Facility pursuant to section 11.2 of the *CCAA* (the “**Interim Financing Charge**”); and
 - (iii) third – a charge in favour of the directors and officers of Mantle, security Mantle’s obligation to indemnify such directors and officers to a maximum amount of \$150,000, pursuant to section 11.51 of the *CCAA* (the “**D&O Charge**”); and
- (m) such further and other relief as this Honourable Court deems just.

B. BACKGROUND OF MANTLE, RLF CANADA AND THE BUSINESS

B.1 Corporate Background

7. Mantle, an Alberta corporation, is a wholly owned subsidiary of RLF Canada Holdings Limited (“**RLF Canada**”). RLF Canada is a wholly owned subsidiary of Resource Land Fund V, LP (“**RLF LP**”), a Delaware limited partnership, and RLF LP is a private equity fund managed by RLH LLP.

8. Mantle was incorporated in British Columbia on July 17, 2020 as 1257568 B.C. Ltd., and changed its name on September 21, 2020 to Mantle Materials Group, Ltd. (“**Mantle BC**”). Mantle BC was continued in Alberta under the *Business Corporations Act*, RSA 2000, c.

B-9, as amended (the “**ABCA**”) on April 30, 2021 and amalgamated on May 1, 2021 with JMB Crushing Systems Inc. (“**JMB**”) and its wholly owned subsidiary 2161889 Alberta Ltd. (“**216**”) to form Mantle. Mantle’s registered office is in Calgary Alberta. Attached hereto as **Exhibit “A”** is a true copy of a Certificate of Status issued by October 31, 2023 in respect of Mantle.

9. RLF Canada is a Colorado corporation that was incorporated on July 8, 2020 under Title 7, Corporations and Associations of the *2022 Colorado Code*. RLF Canada’s sole activity is to hold all of the shares in the capital of Mantle. Attached hereto as **Exhibit “B”** is a true copy of a Certificate of Fact of Good Standing issued by the Office of the Secretary of State of the State of Colorado issued on November 25, 2023.

B.2 Business and Property

10. Mantle extracts, processes and sells gravel and other aggregates (“**Aggregate**”) from various pits (“**Aggregate Pits**”) located on public and private lands in the counties of Athabasca, Thorhild, Smoky Lake, Lac La Biche, St. Paul and Two Hills and in the Municipal District of Bonnyville. Mantle supplied Aggregate to service companies in the oil and gas sector, construction firms and municipalities.
11. Mantle obtains access to lands on which it operates Aggregate Pits that are being operated (the “**Active Aggregate Pits**”), lands on which Aggregate Pits have ceased operating and are being reclaimed (the “**Closed Aggregate Pits**”), and lands which have never been developed pursuant:
 - (a) fourteen (14) surface material leases (each a “**SML**”) in respect of public lands (the lands subject to an SML being the “**Public Land**”) granted by Crown in right of the Province of Alberta, represented by the Minister of Environment and Protected Areas (the “**MEP**”);
 - (b) nine (9) royalty and access agreements (each a “**Royalty Agreement**”) in respect of privately owned lands with the landowners thereof, under which Mantle was granted a *profit à prendre* in the subject land (the “**Private Land**”).

Mantle also accesses a site for storage and a work camp pursuant to a commercial/industrial miscellaneous lease with the MEP, which is related to a SML in Lac La Biche County. **Exhibit “C”** to this Affidavit sets out for the Public Lands, the SMLs, expiration date, regulatory status and reserves, and for the Private Lands, the and Private Lands, the pit names, registration number, location and regulatory status.

12. With respect to the Public Lands:

- (a) the Public Lands subject to four (4) SMLs are subject to reclamation;
- (b) the Public Lands subject to five (5) SMLs are open;
- (c) two (2) SMLs have expired and their renewal was pending;
- (d) the Public Lands subject to three (3) SMLs have not been opened.

13. With respect to the Private Lands:

- (a) the Private Lands subject to one (1) Royalty Agreement was never registered or operated (the Andrychuk pit);
- (b) the Aggregate Pit subject to one (1) Royalty Agreement has been transferred (the Okane pit);
- (c) the Private Lands subject to four (4) Royalty Agreements are being reclaimed (the Buksa, Kucy, Macdonald and Megley pits); and
- (d) the Aggregate Pits on the Private Lands subject to two (2) Royalty Agreements are operational (the Havener and Shankowski pits).

14. The SMLs are administered by Alberta Forestry and Parks (“**AFP**”). Alberta Environment and Protected Areas (the “**AEPA**”) is the environmental regulator for both the Public Lands and Private Lands and issues registrations in respect of the Private Lands that permit Mantle to operate the Aggregate Pits on the Private Lands.

15. Mantle’s head office was located in Edmonton, Alberta, which it leased from 93 Street Office Holdings Ltd. (“**93 OHL**”) pursuant to a lease dated May 12, 2023 (the “**93 Street Lease**”). Pursuant to a surrender agreement between Mantle and 93 OHL, the 93 Street Lease terminated as of October 31, 2023. Mantle now carries out its administrative and head office functions remotely, with its President and Chief Operating Officer and other employees located and working in Alberta.
16. Mantle leases a yard, shop and field office in Bonnyville, Alberta from Bonnie’s Equipment Services (“**Bonnie’s Equipment**”) pursuant to a property lease agreement dated December 16, 2022 (the “**Bonnyville Premises Lease**”).
17. Mantle’s tangible personal property consists of owned and leased computers, phones, office equipment, pickup trucks, heavy trucks, tools, crushing and earth moving equipment and other equipment utilized in Mantle’s Aggregate extraction and processing operations (the equipment utilized in its operations being the “**Equipment**”).
18. Mantle also has various classes of Aggregate inventory extracted from its Aggregate Pits. As of November 30, 2023, Mantle’s total Aggregate inventory levels are projected to be as follows:

Aggregate Pit	Class of Aggregate	Weight of Aggregate in tons
Shankowski Pit	Des 4 Class 20 Road Crush	4,912
Smoky Lake Pits (SML110025, SML110025 & SML110026)	Des 6 Class 80 Road Crush	5,300
	Des 2 Class 25 Road Crush	4,000
	Des 2 Class 25 Road Crush	4,000
Olberg Pits	5 mm Washed Sand	10,901
Havener Pit	Des 4 Class 20 Road Crush	21,003
	Des 6 Class 80 Road Crush	13,687
	Des 2 Class 40 Road Crush	18,755
	4" x 8" Gabion	300
	Class 1 Rip Rap	965

B.3 Mantle’s Acquisition of the Business

19. Mantle acquired its business and property out of the 2020 and 2021 proceedings of JMB and 216 under the *CCAA*.
20. JMB and 216 were indirect subsidiaries of RLF LP, through Canadian Aggregate Resources Corporation (“**CARC**”). CARC acquired the majority of the shares in JMB

pursuant to a share purchase agreement in November 2018 (the “**November 2018 Acquisition**”). In total, the amounts paid by CARC for JMB’s shares, and the capital invested by CARC in JMB between November of 2018 and the commencement of proceedings under the *CCAA* by JMB and 216, amounted to US \$41,071,182.

21. Certain members of the previous JMB management team (the “**Prior Management**”) remained in place. CARC had only limited ability to carry out physical due diligence on JMB’s inventory levels because snow had already covered the Aggregate Pits.
22. Following CARC’s acquisition of JMB, it became apparent that JMB was suffering a severe and sustained cash flow shortfall related to the general downturn in Alberta’s economy and its oil and gas industry, resulting in reduced demand for aggregate. Further, JMB’s actual financial condition at the time it was acquired by CARC had been obscured by an antiquated accounting system and inaccurate financial data that resulted in recorded accounts receivable that did not actually exist. Its revenues were therefore significantly lower than expected, lenders could not be provided with accurate financial reporting, and an audit required by the lenders could not be completed within the time periods required by the lenders. In addition, a significant legacy of undisclosed environmental reclamation liabilities came to light, both with respect to closed and operational Aggregate Pits. With respect to the undisclosed reclamation liabilities, responsible operators carry out reclamation as they extract Aggregate but JMB’s Prior Management did not do this.
23. These factors led ATB Financial, JMB’s operating lender, and Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc., and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc. (collectively, “**Fiera**”), JMB’s term lender, to become seriously concerned with the financial viability of JMB and 216 and to communicate serious concerns to JMB. The directors and management of JMB determined it was necessary to restructure JMB and 216, and therefore JMB and 216 applied for protection under the *CCAA* (the “**2020 CCAA Proceedings**”). On May 1, 2020, the Honourable Madam Justice Eidsvik issued an initial order staying proceedings and appointing FTI as monitor.

24. FTI implemented a sale process during the 2020 *CCAA* Proceedings but during the due diligence phase, it was discovered that over half of the inventory recorded on JMB and 216's books prior to the November 2018 Acquisition did not exist, and shortly after that discovery, the Prior Management resigned or were terminated. Subsequent investigations revealed that the inventory, which had been recorded by Prior Management at \$19,546,356 as of November 21, 2019, should have been recorded at \$9,152,045. Further, while the financial statements prepared by Prior Management recorded accounts receivable at \$15,019,897 as of August 31, 2019, in a subsequent audit process, the accounts receivable had to be written down to \$4,308,260 as at December 31, 2018. Other accounting irregularities were also subsequently discovered that contributed to the overvaluation of JMB. There is an ongoing legal action against the previous shareholders and Prior Management of JMB.

25. RLF LP sought to mitigate its losses and preserve its investment in JMB and 216 by incorporating Mantle BC in order to submit a bid for the business and properties of JMB and 216, including their the Aggregate Pits, equipment and other assets. The sale process in the 2020 *CCAA* Proceedings did not result in a superior or otherwise better bid, and therefore the bid of Mantle BC was designated by the monitor as the successful bid. Pursuant to a purchase agreement dated March 3, 2021 between JMB, 216 and Mantle BC, a plan of arrangement of JMB, 216 and Mantle BC under the *ABCA*, and a reverse vesting order, approval and vesting order and plan sanction order of the Honourable Justice K.M. Eidsvik pronounced on March 31, 2021, Mantle BC was continued in Alberta, amalgamated with JMB and 216 to forming Mantle, and certain assets and liabilities which were excluded from the transaction were vested in a newly incorporated corporation (such transactions being, collectively, the "**Reorganization Transaction**"). The Reorganization Transaction was completed on May 1, 2021 and resulted in Mantle acquiring the Aggregate Pits and most of JMB and 216's equipment and other assets.

B.4 Reclamation Liabilities in respect of the Aggregate Pits

26. Following commencement of the 2020 *CCAA* Proceedings, the AEPA issued environmental protection orders (the "**EPOs**") requiring JMB and 216 to address

significant environmental reclamation liabilities associated with their Aggregate Pits (the “**Reclamation Liabilities**”).

27. The extraction of Aggregate from Aggregate Pits results in significant disruption to the lands on which they are located, including for example changes to the contours of the lands, the removal of vegetation, the creation of pits, and the accumulation of plant and other material debris, including the bi-products of the crushing and processing of the Aggregates. Under the *Environmental Protection and Enhancement Act*, RSA 2000, E-12, as amended, the *Conservation and Reclamation Regulation*, AR 115/93, as amended, and the regulations and codes thereunder (collectively, the “*EPEA*”), operators of aggregate pits are required to reclaim the lands on which the pits are located in order to restore the lands to a state similar to their state prior to the Aggregate operations being undertaken. The AEPA also requires operators to post security for their Reclamation Liabilities.

28. The work required to address the Reclamation Liabilities associated with the Aggregate Pits (the “**Reclamation Work**”) is carried out in stages over several years. The majority of the heavy initial work (the “**Major Reclamation Work**”) consists of steps such as the removal of any remaining marketable Aggregate, the rough grading and contouring of the Inactive Aggregate Pits to tie them into the surrounding landscape, the elimination of piles of debris and Aggregate, the disposal of oversize rocks, the placement of topsoil and the seeding of topsoil. Where there are water-bodies on the lands, they often must be drained before the grading, contouring, placement of topsoil and re-planting can be carried out, and where the water-bodies are to be reconstituted, water vegetation must be planted. Once the Major Reclamation Work is completed, there is a two year period (the “**Assessment Period**”) during which the soil stability and success of the planting is assessed, and any issues such as erosion, weed infestation or failure of plants to grow, must be addressed. If issues arise or are identified during the Assessment Period, the operator is required to carry out Reclamation Work to address those issues (“**Assessment Period Reclamation Work**”) prior to being able to apply for a reclamation certificate in respect of the reclaimed Aggregate Pit under the *EPEA*.

29. As Mantle understood the importance of completing the Reclamation Liabilities and takes its reclamation obligations seriously, Mantle negotiated reclamation plans with the AEPA in order to address the Reclamation Liabilities associated with the JMB and 216 aggregate pits (the “**Reclamation Plans**”). The Reclamation Work that the AEPA required to be addressed in respect of the 2021 EPOs is set out in the Reclamation Plans prepared by Mantle and approved by the AEPA. The EPOs, and the Reclamation Plans relating thereto, consisted of the following:

Pit Name	EPO	Plan
MacDonald	EPO-EPEA-35659-01 issued March 2, 2021 and amended March 16, 2021	
Megley	EPO-EPEA-35659-02 issued March 11, 2021 and amended May 3, 2021	Reclamation Plan approved by the AEPA on August 20, 2021
Hoye/Kucy	EPO-EPEA-35659-03 issued March 11, 2021 and amended May 3, 2021 and July 7, 2022	Reclamation Plan approved by the AEPA on August 20, 2021
Havener	EPO-EPEA-35659-04 issued March 11, 2021 and amended May 3, 2021 and August 20, 2022	April 25, 2022, the Updated Activities Plan dated June 2021 was registered
Buksa	EPO-EPEA-35659-05 issued March 11, 2021 and amended May 3, 2021 and July 25, 2022	Reclamation Plan was approved by the AEPA on August 20, 2021
O’Kane	EPO-EPEA-35659-06 issued March 11, 2021 and amended May 3, 2021	Reclamation Plan was approved by the AEPA on August 20, 2021
SML 060060	EPO-EPEA-35659-07/EO-WA-35659-01 issued March 12, 2021, and amended March 10, 2021, January 25, 2022 and June 16, 2023	
SML930040	EPO-EPEA-35659-08 issued March 19, 2021 and amended April 26, 2021	
SML 980116	EPO-EPEA-35659-09 issued March 19, 2021	
SML 120027	EPO-EPEA-35659-10 issued March 19, 2021	

30. Mantle was also required to file security with the AEPA, in addition to security already held (collectively, the “**AEPA Security**”). The following is a summary, as of June 30, 2023, of the Aggregate Pits, their estimated Reclamation Liabilities, and the amount of the AEPA Security:

Status	Number	Reclamation Liabilities	Security Posted with the AEPA
Active Aggregate Pits	9	\$1,874,872	\$807,476
Inactive Aggregate Pits	10	\$1,678,308	\$116,363
Aggregate Pits which are not opened	5	none	\$116,890
Vacant land	1	none	\$17,232
Total	25	\$3,553,179	\$1,057,961

31. Following the completion of the Reorganization Transaction, Mantle had nine (9) Aggregate Pits which it either operated or intended to operate in the future because of their reserves of Aggregate (collectively, the “**Active Aggregate Pits**”). As Mantle carried out operations in the Active Aggregate Pits, it would also carry out Reclamation Work in order to limit the accumulation of Reclamation Liabilities. This is consistent with good industry practice, but prior to the November 2018 Acquisition, JMB and 216 had not done this.
32. Ten (10) of the Aggregate Pits acquired from JMB and 216 had not been operated since before the 2020 CCAA Proceedings, and the economically recoverable reserves of Aggregate had been exhausted (referred to herein as the “**Inactive Aggregate Pits**”). In the emergence from the 2020 CCAA Proceedings, Mantle submitted reclamation plans in respect of the Inactive Aggregate Pits which were approved by the AEPA (the “**Reclamation Plans**”). The Reclamation Plans set out the steps and timelines Mantle was required to follow in order to fully reclaim the Inactive Aggregate Pits.
33. Since the completion of the Reorganization Transaction, Mantle has carried out the Reclamation Work on the Inactive Aggregate Pits in accordance with the Reclamation Plans. Since May 1, 2021, Mantle has actively engaged in reclamation and remediation activities and has kept the AEPA up to date on all of the activities through progress reports. These progress reports are dated November 30, 2021, March 31, 2022, July 28, 2022, October 28, 2022 (the “**October 2022 Progress Report**”) and October 16, 2023. Attached to this Affidavit as **Exhibit “D”** is a true copy of the October 2022 Progress Report.
34. While the Remediation Plans include target completion dates, these dates may be subject to change due to factors beyond the Mantle’s control. Factors that may result in target completion dates being extended include such things as weather, the ability to source

contractors to carry out the Reclamation Work, and the ability to fund the Reclamation Work.

35. In Mantle's case, there were a number of Inactive Aggregate Pits that required more extensive and thus more costly, Reclamation Work than originally contemplated, which additional work could not have been detected until the Reclamation Work commenced. This necessarily required any timelines set out in the Reclamation Plans to be extended to accommodate the additional work and the increased cost, as Mantle had to spend available funds on its operations in order to be able to continue to fund the Reclamation Work. Mantle also experienced challenges in accessing the equipment needed to perform the Reclamation Work.
36. Mantle was in communication with the AEPA with respect to expected completion of the Reclamation Work and where required, requested extensions to those timelines. Those extensions were explicitly or implicitly approved by the AEPA, as Mantle was never advised by the AEPA it required the Reclamation Work to be completed sooner than Mantle estimated. Further, the AEPA took no enforcement steps against Mantle with respect to any alleged non-compliance with the 2021 EPOs.
37. The Reclamation Work required to be performed prior to the commencement of the Proposal Proceedings is summarized in the October 2022 Progress Report. The October 2022 Progress Report reviews, for each of the EPOs, the work performed in 2021 and 2022, provides a description of the work that was remaining to be performed, and the timeframe within which the remaining work was to be performed and a reclamation certificate was to be applied for. As of October 28, 2022, Mantle had spent approximately \$630,000 in 2021 and 2022 on the Reclamation Work.
38. The majority of the outstanding Reclamation Work was scheduled to be completed by November 1, 2023, following which there would be a six month monitoring period required by the AEPA. The monitoring assessments would occur in 2024 and 2025. It was anticipated that for the Inactive Aggregate Pits, reclamation certificates would be applied for by November 1, 2025 at the latest and upon their issuance, the surface material leases

or registrations would be cancelled. A summary of the Reclamation Work reported upon in the October 2022 Progress Report is attached to this Affidavit as **Exhibit “E”**.

B.5 Events between May 1, 2021 and July 14, 2023

39. Following the departure of the Prior Management during the 2020 *CCAA* Proceedings, Mantle hired Cory Pichota as its President and Chief Operating Officer. He has 28 years of experience working in the sand and gravel industry throughout central and northern Alberta, and has occupied multiple positions such as engineering tech, superintendent, operations manager and general manager of other aggregate production companies. Cory Pichota currently serves as President and Chief Operating Officer of Mantle.
40. Mantle implemented improved management and operational practices, acquired additional Aggregate extraction and processing equipment, produced and processed Aggregate to build up inventory, submitted multiple bids to potential customers for either longer term supply contracts or individual sales.
41. Although Mantle made significant progress in building sale and supply relationships and increasing its revenues from the sale of Aggregate, it continued to suffer working capital shortfalls. This was attributable to a number of factors. The Active Aggregate Pits were too far from potential customers who over the last two years were engaging in construction and road building and maintenance projects. As a result, Mantle’s trucking and fuel costs, which are significant components of the price of Aggregate, were higher than many of its competitors. This made it difficult for Mantle to successfully bid for Aggregate supply and sale contracts.
42. In addition, as part of the Reorganization Transaction, Mantle assumed portions of JMB’s indebtedness to Fiera and ATB Financial. Mantle also had to finance the acquisition of equipment in the fall of 2021 through Travelers Capital Corp. (“**Travelers**”) and obtain working capital financing from Pathward, National Association (“**Pathward**”) in June of 2022. Mantle’s revenues from Aggregate sales failed to increase sufficiently to support this level of indebtedness.

43. The locational challenges described above meant that the majority of Mantle's Aggregate inventory was produced from one Aggregate Pit whose economically recoverable reserves were being depleted.
44. In the late June of this year, Aaron Patsch and I, as the directors of Mantle, in discussions with Mantle's management, determined that in order for Mantle's business to become economically viable, Mantle required significant new capital investment to acquire additional Aggregate Pits, and lands with Aggregate reserves that could be developed into Aggregate Pits, that were located closer to its current and potential customers. However, we could not economically justify that investment because of the lack of sufficient long term supply contracts, Mantle's legacy Reclamation Liabilities, and its current debt levels. We therefore determined that it was necessary to commence a proceeding under which could complete the Reclamation Work on the Inactive Aggregate Pits, sell the Active Aggregate Pits to parties acceptable to the AEPA who would assume the Reclamation Liabilities associated with them, sell its inventory of Aggregate, sell its Equipment and other tangible assets, and collect its accounts receivable.
45. Because Mantle did not have sufficient cash resources to carry out the Reclamation Work, repay all of its indebtedness and sell its assets, we were advised that these activities had to be carried out in the context of an insolvency proceeding under either the *BIA* or *CCAA*. We were also informed that because of the February of 2019 decision of the Supreme Court of Canada in *Orphan Wells Association v. Grant Thornton Ltd.* ("**Redwater**"), Mantle's Reclamation Liabilities had to be addressed before any distributions could be made to Mantle's secured and unsecured creditors in such proceedings. After considering a number of alternatives, we determined that Mantle should initially commence the Proposal Proceedings under Division I of Part III of the *BIA*.
46. On July 13, 2023, Mantle's representatives contacted its principal secured creditors to advise them that it intended to commence the Proposal Proceedings, and on July 14, 2023, Mantle filed the NOI under section 50.4 of the *BIA*.

C. DEBTS AND LIABILITIES OF MANTLE

C.1 Financial Statements

47. True copies of Mantle's draft unaudited financial statements for the financial year ending December 31, 2022, and unaudited financial statements for the financial quarter ending June 30, 2023, are attached hereto as **Exhibit "F"** and **Exhibit "G"** respectively.

48. Mantle did not update its financial statements as of September 30, 2023 because of the Proposal Proceedings. However, paragraph 63 of this Affidavit summarizes the cash flow statements prepared by Mantle with the assistance of the Proposal Trustee and filed in the Proposal Proceedings.

C.2 Assets and Liabilities

49. The book value of Mantle's Property was, as of June 30, 2023, approximately \$7,452,838, consisting of the following:

- (a) accounts receivable, which as of October 23, 2023 amount to approximately \$2,386,646.21 (as of July 14, 2023, the accounts receivable amounted to \$697,396.40);
- (b) equipment consisting of pickup trucks, crushing and earthmoving equipment, heavy trucks, furniture and fixtures, shop equipment, tools and computer and communications equipment, the book value of which was \$1,353,733.86 as of June 30, 2023;
- (c) the Aggregate Pits, the book value of which was approximately \$1,296,248;
- (d) guaranteed investment certificates issued by CWB (the "**CWB Term Deposits**") which secure Mantle's obligation to indemnify CWB for amounts drawn under the CWB LCs, in the aggregate amount of \$580,000; and
- (e) cash collateral security posted with AEPA in the amount of \$516,811.24, which together with the CWB LCs form the AEPA Security.

50. As of June 30, 2023, Mantle's aggregate liabilities were \$16,046,272.21, made up of the following:

- (a) Mantle owed \$11,469,721.99 to its secured lenders, of which:
 - (i) \$8,203,000 was owed to Fiera;
 - (ii) \$1,200,000 was owed to Travelers;
 - (iii) \$475,000 was owed to Pathward;
 - (iv) \$1,774,000 was owed to RLF Lender;
 - (v) \$16,000 was owed to ATB Financial; and
 - (vi) Mantle was contingently liable to CWB in the amount of \$541,150, which was the face amount of the CWB LCs;

- (b) Mantle owed the following amounts under equipment leases:
 - (i) \$2,500 to Enterprise Fleet Management Canada, Inc. (one (1) 2019 Ford F-150 truck);
 - (ii) \$4,400 to De Lage Landen Financial Services Canada Inc. (two (2) photocopier);
 - (iii) \$55,200 to Alberta Auto Finance Ltd. (two (2) pickup trucks);
 - (iv) \$100,400 to Diversity Equipment Rentals & Sales Ltd. (excavators and loaders);
 - (v) \$1,423.51 to Seven Lakes Oilfield Services Corp. (portable toilets); and
 - (vi) \$38.59 to Wildrose Disposal Inc. (garbage bins).

- (c) Mantle's unsecured indebtedness as at July 17, 2023 was as follows:
 - (i) \$8,700 to The Toronto-Dominion Bank on account of a company credit card;
 - (ii) \$80,181.92 for equipment repairs;
 - (iii) \$9,132.58 for fuel;
 - (iv) \$37,860.37 for hauling gravel;
 - (v) \$95,292.75 for reclamation costs;

- (vi) \$6,388.20 for gravel testing; and
- (vii) \$94,803.95 for insurance and general and administrative costs.

51. Mantle was current with respect to rent on its Edmonton premises and Bonnie's Equipment was current with respect to the Bonnyville Premises Lease. Mantle owed approximately \$43,200 to Bonnie's Equipment for mechanical services. It was also current with respect to goods and services tax remittances.
52. Mantle currently has seven (7) employees, of which four (4) are in the corporate office, one (1) is a field shop manager and (2) two are in the field and are responsible for sales and earthworks. The total bi-weekly payroll is \$32,762.78 (down from \$78,293 as at July 14, 2023), source deductions is \$12,834.36 (reduced from \$24,801 as at July 14, 2023) and benefits \$679.88 (reduced from \$5,257 as at July 14, 2023), for a total of \$46,277.02 (reduced from \$108,351 as at July 14, 2023). Also, five (5) employees receive vehicle fuel allowances in the total weekly amount of \$2,100. Seven (7) field employees responsible for crushing have been terminated. As of July 14, 2023:
- (a) Mantle was current with respect to wages and the remittance of source deductions to the Canada Revenue Agency (the "CRA"); and
 - (b) Mantle was current with respect to wages, benefits, workers' compensation and source deductions were current but there was accrued and unpaid vacation pay equal to \$33,318.81.

C.3 Credit Facilities

53. As related above, Mantle had a number of secured lenders with some overlapping and some separate security.
54. Mantle assumed JMB's indebtedness to Fiera, which was consolidated under a loan agreement dated April 26, 2021 (as amended on October 19, 2022 and June 12, 2023, the "**Fiera Loan Agreement**") into three non-revolving term credit facilities. Mantle's indebtedness to Fiera was secured by the following (collectively, the "**Fiera Security**"):

- (a) a general security agreement creating a security interest against all of Mantle's present and after-acquired personal property;
- (b) an assignment of material agreements, including the Royalty Agreements;
- (c) a mortgage of Mantle's SMLs; and
- (d) fixed security in certain serial numbered equipment of Mantle.

Attached as **Exhibits "H"** and **"I"** are true copies of the Fiera Loan Agreement and Fiera Security.

- 55. Pursuant to a loan agreement dated June 6, 2022 (the **"Pathward Loan Agreement"**) between Pathward as lender, Mantle as borrower and RLF Canada as guarantor, Pathward provided Mantle with a margined, revolving working capital facility in favour of Mantle. Mantle's indebtedness to Pathward was secured by a general security agreement (the **"Pathward Security"**) creating a security interest in all of Mantle's present and after-acquired personal property and the proceeds thereof. Attached as **Exhibits "J"** and **"K"** respectively are true copies of the Pathward Loan Agreement and Pathward Security.
- 56. Pursuant to a loan and security agreement dated October 8, 2021 (as amended October 16, 2022, the **"Travelers Loan Agreement"**) between Travelers and Mantle, Travelers provided a non-revolving term loan to fund the acquisition of equipment utilized by Mantle in its Aggregate business. Mantle's indebtedness under the Travelers Loan Agreement was secured by a purchase-money security interest (the **"Travelers Security"**) in the 41 items of equipment whose acquisition was financed by Travelers (the **"Travelers Equipment"**). Attached as **Exhibits "L"** and **"M"** are true copies of the Travelers Loan Agreement and Travelers Security.
- 57. Pursuant to a secured convertible debenture dated October 19, 2022 (the **"RLF Debenture"**) granted by Mantle to RLF Lender, RLF Lender made advances from time to time to Mantle, and Mantle granted a security interest against all of its present and after-acquired property. Attached as **Exhibit "N"** to this Affidavit is a true copy of the RLF Debenture.

58. Mantle owed approximately \$16,000 to ATB Financial (“**ATB**”) pursuant to an agreement dated as of April 26, 2021 (the “**ATB Agreement**”) under which a portion of JMB’s indebtedness to ATB Financial was assumed by Mantle on a non-recourse basis. This indebtedness was secured by a general security agreement (the “**ATB Security**”), which attached to certain inventory and its proceeds (the “**ATB Inventory**”). Attached as **Exhibits “O”** is a true copy of the ATB Agreement.
59. Finally, under a letter agreement dated May 12, 2021 (the “**CWB LC Facility Agreement**”) between CWB and Mantle, CWB issues eleven (11) letters of credit in favour of the AEPA (the “**CWB LCs**”) as security for the Reclamation Liabilities. The obligation of Mantle to indemnify CWB in respect of drawings under the CWB LCs was secured by a security interest in the GICs (the “**CWB Security**”). Attached as **Exhibit “P”** to this Affidavit is a true copy of the CWB LC Facility Agreement.
60. The relative priority of the security interests created by the Fiera Security, Travelers Security, Pathward Security, ATB Security and RLF Security is as follows:
- (a) the Travelers Security has priority with respect to the Travelers Equipment, followed by Pathward (up to the maximum amount of \$1,750,000), followed by RLF Lender (up to the \$2,250,000 (the “**RLF Debt Cap**”), followed by Fiera (any amount in excess of the RLF Debt Cap);
 - (b) the Pathward Security has priority over inventory (other than the ATB Inventory) up to a maximum amount of \$1,750,000, followed by RLF Lender (up to RLF Debt Cap), followed by Fiera (any amount in excess of the RLF Debt Cap);
 - (c) the ATB Security has priority with respect to the ATB Inventory and its proceeds;
 - (d) the CWB Security has priority with respect to the GICs;
 - (e) the RLF Debenture has priority over the remaining assets of Mantle (up to the RLF Debt Cap); and
 - (f) the Fiera Security has residual priority for all assets in excess of the RLF Debt Cap.

61. As of the date hereof, the aggregate amount of Mantle's liabilities significantly exceeds the book value of its assets and I have no reason to believe that the fair market value of these assets would exceed their book value.

D. PROPOSAL PROCEEDINGS

D.1 Purpose of the Proposal Proceedings

62. As related above, Mantle commenced the Proposal Proceedings to provide the stability, protection and time it required in order to address its Reclamation Liabilities, sell its assets in a commercially reasonable manner, and once the Reclamation Liabilities have either been addressed or provided, make distributions to its creditors. Specifically, Mantle intended to do the following:

- (a) Mantle would perform the Reclamation Work on the Inactive Aggregate Pits and upon the issuance of reclamation certificates in respect of the Inactive Aggregate Pits, Mantle would request the return of the AEPA Security for these Aggregate Pits;
- (b) Mantle would carry out a sale process with respect to the Active Aggregate Pits, as their reserves of Aggregate are potentially attractive to other companies in the industry, and their sale, with the consent of the AEPA, to purchasers that would assume their Reclamation Liabilities, would enable Mantle to seek the return of the AEPA Security relating thereto;
- (c) Mantle and the Proposal Trustee would carry out an informal bid process with respect to the Equipment with auctioneers and other equipment dealers;
- (d) Mantle would complete sales of Aggregate under supply agreements determined by management and the Proposal Trustee to be economically beneficial to Mantle's estate;
- (e) Mantle would also attempt to sell as much inventory of Aggregate as possible pursuant to individual sales; and

- (f) once the Reclamation Liabilities were satisfied or provided for in a manner satisfactory to the AEPA, Mantle would make distributions to its secured creditors.

D.2 Cash Flow Statements

63. Since July 14, 2023, when the Proposal Proceedings were commenced, Mantle prepared with the assistance of the Proposal Trustee week-by-week statements of cash receipts from operations and operating and other disbursements pursuant to section 50(6) of the *BIA* (collectively, the “**Cash Flow Statements**”):

- (a) a 12-week projected cash flow statement for the period from July 14, 2023 to October 13, 2023 (the “**First Cashflow Statement**”), a true copy of which is attached as **Exhibit “Q”**;
- (b) a rolling 12-week projected cash flow statement for the period from July 29, 2023 to October 20, 2023 (the “**Second Cashflow Statement**”), a true copy of which is attached as **Exhibit “R”**;
- (c) a rolling 21-week projected cash flow statement for the period from August 4, 2023 and December 29, 2023 (the “**Third Cashflow Statement**”), a true copy of which is attached as **Exhibit “S”**, which was prepared because a formula error in the Second Cashflow Statement over-stated royalties by \$873,056 in the 12 week period, and the 12-week period did not adequately reflect the cash receipts that would arise from, and the operating disbursements that would be incurred, as a result of operating for the remainder of 2023, and incorrectly suggested that such operations were not cashflow positive;
- (d) a 15-week projected cash flow statement for the period of September 15, 2023 to December 29, 2023 (the “**Fourth Cash Flow Statement**”), a true copy of which is attached as **Exhibit “T”**; and
- (e) a 10-week projected cash flow statement for the period of November 3, 2023 to January 5, 2024 (the “**Fifth Cash Flow Statement**”), a true copy of which is attached as **Exhibit “U”**.

D.3 Interim Financing, BIA Charges and Extensions of Stay Period

64. As reflected in the Cash Flow Statements, Mantle had insufficient cash on hand in order to fund the Reclamation Work and the other activities summarized in paragraph 62 of this Affidavit. The only party that was willing to provide funding was RLF Lender, but then only pursuant to a non-revolving, super-priority interim financing facility (the “**Interim Facility**”) that is secured by a first-ranking Interim Charge against Mantle’s property under section 50.6 of the *BIA* (subject only to the Administrative Charge). Initially, the Interim Facility was to be in the maximum principal amount of \$1,400,000 but based on the Third Cashflow Statement, Mantle and the Proposal Trustee determined that the principal amount should be increased to \$2,200,000 because many of the expenditures that Mantle was to incur in carrying out the Reclamation Work and in selling its inventory of Aggregate had to be incurred before the revenues arising from Aggregate sales could be collected.
65. Pursuant to an application initially scheduled to be heard on August 8, 2023 before the Honourable Justice Campbell, Mantle applied for an Order, *inter alia*, extending the initial 30 day period within which Mantle was required to file a proposal (as extended from time to time, the “**Stay Period**”), granting the Administrative Charge in the maximum amount of \$425,000 in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to Mantle, approving the Interim Facility, granting the Interim Charge in favour of RLF Canada to secure the Interim Facility, granting the D&O Charge in favour of the directors and officers of Mantle in the maximum amount of \$150,000 to secure Mantle’s obligation to indemnify its directors and officers for obligations they may incur in their capacities as directors and officers subsequent to the filing of the NOI (collectively, the “**BIA Charges**”), and ordering that the *BIA* Charges rank in priority to any other security or encumbrance against Mantle. However, an hour and before the hearing, Travelers filed an affidavit and brief objecting to this relief. The Honourable Justice Campbell determined that she could not hear the application because she was still not hearing contested applications where McCarthy Tétrault LLP (counsel to the Proposal Trustee) represented a party. Justice Campbell ordered an interim extension of the Stay Period to August 18, 2023 and adjourned the hearing.

66. On August 15, 2023 (the “**August 15 Order**”), the Honourable Justice Feasby extended the Stay Period to September 27, 2023, granted the *BIA* Charges, approved the Interim Financing, declared that the *BIA* Charges ranked in priority to all other security and encumbrances other than the Travelers Security, in respect of which he reserved his decision. On August 28, 2023, Justice Feasby released his decision (the “**August 28 Decision**”) where he determined that the *BIA* Charges should rank in priority to the Travelers Security. The August 15 Order was amended to reflect the August 28, 2023 decision (such Order, as amended, the “**Amended Order**”). Attached as **Exhibits “V”**, “**W**” and “**X**” are true copies of the August 15 Order, August 28 Decision and Amended Order.
67. On September 22, 2023, the Honourable Justice Lema issued an Order extending the Stay Period for an additional 45 days, ending November 13, 2023. Attached as **Exhibit “Y”** is a true copy of that Order.
68. Shortly following the release of the August 28 Decision, Travelers filed with the Alberta Court of Appeal an application for confirmation that it had an automatic right to appeal the August 28 Decision and Amended Order under section 193(c) of the *BIA*, or in the alternative, for leave to appeal the August 28 Decision and Amended Order under section 193(e) of the *BIA*, on the basis that the Reclamation Liabilities did not rank in priority to the Travelers Security.
69. On October 23, 2023, the Honourable Justice de Wit of the Alberta Court of Appeal released a decision (the “**October 23 Decision**”) in which he found that Travelers did not have an automatic right of appeal under section 193(c), and denying leave to Travelers to appeal under section 193(e). Attached as **Exhibit “Z”** is a true copy of Justice de Wit’s decision.
70. On November 2, 2023, Travelers again applied to the Alberta Court of Appeal seeking leave to appeal the October 23 Decision, arguing that the Court misunderstood or misapprehended the evidence and law relating to section 193(c) of the *BIA*. On November 17, 2023, Mantle filed a memorandum of in response to Travelers’ application.

71. On November 27, 2023, the Honourable Justice de Wit released a decision denying Travelers permission to appeal the October 23 Decision. Attached as **Exhibit “AA”** is a true copy of Justice de Wit’s decision.

D.3 Actions of Mantle during Proposal Proceedings

72. Once the Proposal Proceedings started, Mantle worked with the Proposal Trustee to prepare and analyse its list of creditors, gave the Proposal Trustee access to its books and records so that it could perform its monitoring function and assist Mantle in preparing the Cash Flow Statements, communicated with its customers, creditors, suppliers, employees and other stakeholders regarding the Proposal Proceedings, reviewed its operating expenses in order to achieve economies and identify critical expenditures, and take actions to ensure its accounts receivable.
73. In the days following July 14, 2023, Pathward collected \$479,273.84 of Mantle’s accounts receivable pursuant to a blocked account agreement, but following discussions, Pathward wired the funds to Mantle’s counsel on August 21, 2023. Mantle also gave notice to its account debtors requiring them to pay their accounts receivable directly to Mantle. Between then and now, Mantle has collected approximately \$692,109 in respect of accounts receivable owing to it prior to July 14, 2023.
74. Once its Interim Facility was in place, Mantle re-commenced its supply of Aggregate to customers with whom it had supply or sale contracts including Accurate Industries, Kehewin Cree Nation, Absolute MultiCorp Ltd., AMC Oilfield and E Construction Ltd. Mantle also entered into agreements to sell Aggregate to Cenovus Energy Inc. and Ledcor Highways Ltd. In each case, the Proposal Trustee confirmed these sales were likely to yield a net benefit to the estate and were therefore economically viable. In order to carry out that work, Mantle deployed contractors and equipment and arranged for the transportation and delivery of the Aggregate, which actions were funded by the Interim Facility. This also required special arrangements with truckers and fuel suppliers to give those parties assurance that they would be paid for the services and supplies that they provided during the Proposal Proceedings.

75. Mantle was also able, once the Interim Facility was in place, to deploy its employees to assist in completing contracts for the sale and supply of Aggregate to its customers through operating weigh scales, loading Aggregate onto trucks, monitoring truck hauling to customer sites and processing scale tickets. They also carried out tasks such as installing and maintaining water pumps as part of the Reclamation Work and general and administrative tasks such as completing payrolls, invoicing customers and collecting receivables. Because operations were gradually being wound down, Mantle also secured its equipment that had been disbursed amongst the Aggregate Pits and transported the equipment back to its yard in Bonnyville. This is particularly important because this area of Alberta has an unusually high property crime rate and therefore movable equipment was at significant risk to being stolen or damaged if it was not secured and protected.
76. Mantle also re-commenced its Reclamation Work on the Kucy, Megley, Buksa and SML 060060 pits, which were all Inactive Aggregate Pits. Mantle entered into a new contract with Location Cats Ltd. to carry out the Major Reclamation Work in respect of these Aggregate Pits during the Proposal Proceedings. On August 1, 2023, the AEPA wrote to Mantle requiring the Major Reclamation Work in respect of these Aggregate Pits be completed by no later than November 1, 2023. Attached as **Exhibit “BB”** is a true copy of that letter.
77. Mantle and the Proposal Trustee also carried on discussions with various equipment dealers and auctioneers in order to determine the best strategy for selling the equipment. Ultimately, five auctioneers submitted preliminary proposals. Mantle and the Proposal Trustee re-engaged with these auctioneers, who subsequently increased the amount of net minimum guarantee that they were willing to offer. The Proposal Trustee consulted with Travelers, as Travelers had first ranking security over the majority of the equipment, after the *BIA* Charges. Travelers expressed a preference for the proposal advanced by Ritchie Bros. Auctioneers (Canada) Ltd. (“**Ritchie Bros**”) and Mantle agreed to this.
78. Pursuant to a Contract to Auction dated October 31, 2023 (the “**Auction Agreement**”) between Ritchie Bros and Mantle, Ritchie Bros agreed to market and then auction the Equipment at its site in Nisku, Alberta over a three-day period from December 13 to 15,

2023, and provide a guarantee to Mantle of the minimum gross proceeds of sale of the Equipment (the “MGP”). Ritchie Bros is paid a commission out of the MGP. If the aggregate proceeds of sale of the Equipment exceed the MGP, then Ritchie Bros and Mantle share the excess based on percentages specified in the Auction Agreement. Attached to this Affidavit as **Exhibit “CC”** is a redacted copy of the Auction Agreement, with the pricing information removed.

79. Mantle also worked with the Proposal Trustee to prepare marketing materials, an electronic data room and a sale process for marketing and selling the Active Aggregate Pits. On September 20 and 21, 2023, Jason Mercier, Mantle’s Business Development Manager, launched the sale solicitation process (the “**Pit Sale Process**”) by emailing 91 companies and other organizations that Mantle believed would be potentially interested in acquiring the Active Aggregate Pits, providing basic information describing the Aggregate Pits and their estimated reserves and indicating that the bid deadline was October 25, 2023. Attached as **Exhibit “DD”** are true copies of the emails and attached as **Exhibit “EE”** is a true copy of the Pit Sale Process.
80. The Active Aggregate Pits being marketed in the Pit Sale Process consisting of the following:
- (a) the Smoky Lake pits, which are subject to the surface material leases identified as SML 110025, SML 110026, SML 110045, SML 110046, SML 110047, SML 120005 and SML 120100, and are estimated to have 4,785,160 metric tons of Aggregate reserves in opened pits and 2,440,000 metric tons in unopened pits;
 - (b) the Long Lake pit, which is subject to the surface material lease identified as SML 100085, and is estimated to have 2,756,406 metric tons of Aggregate reserves in an unopened pit;
 - (c) the Shankowski pits, which are on freehold land and is subject to a royalty agreement between Mantle and Jerry Shankowski, the landowner, and is estimated to have 4,755,104 metric tons of Aggregate reserves in opened pits; and

- (d) the Havener pit, which are on freehold land and are subject to a royalty agreement between Mantle and Helen and Gail Havener, and are estimated to have 2,143,128 metric tons of Aggregate Reserves in opened pits.
81. Subsequently, the Aggregate Pit referred to as the Andrychuk pit, which was never opened and does not have an AEPA registration, was withdrawn from the Pit Sale Process. The Okane pit was not included because it was transferred to a third party in 2022, the AEPA only approved the transfer of the registration to the purchaser effective September 26, 2023.
82. A number of parties submitted letters of intent or expressions of interest in some of the Active Aggregate Pits prior to October 25, 2023, and Mantle and the Proposal Trustee are in the process of working with those parties to advance the process.
83. Mantle also owns approximately a third of the shares (the “**Atlas Shares**”) in Atlas Aggregates Inc. (“**Atlas**”), a private corporation incorporated under the laws of Alberta. 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, who because of the restrictions on transfers of shares in the articles of Atlas, are likely the only parties who would be interested in purchasing the Atlas Shares.
84. Mantle requested from Atlas the information in its shareholder register in order to permit Mantle to market the Atlas Shares to the other shareholders in Atlas. After initially refusing to provide that information, Atlas agreed that it would not oppose a consensual order authorizing and directing it to provide the shareholder register and contact information to the Proposal Trustee so as to enable the Proposal Trustee to distribute an invitation for bids from the other shareholders.
85. On November 8, 2023, the Honourable Justice Dunlop granted the following Orders:
- (a) an Order (i) approving the Auction Agreement (the “**Auction Order**”), (ii) upon Ritchie Bros receiving the proceeds of sale of individual pieces of Equipment, vesting ownership of such pieces in the purchasers thereof, free and clear of all

Claims and Encumbrances,¹ (iii) ordering that the Net Sale Proceeds² stand in the place and stead of the Equipment, with any Claims and Encumbrances having the same priority as against the Net Sale Proceeds that they previously had against the Equipment, and (iv) requiring that the Proposal Trustee hold the Net Sale Proceeds in trust pending further order of the Court;

- (b) an Order (i) extending the time within which Mantle was required to file a proposal under section 50.4 of the *BIA* to December 20, 2023, and (ii) requiring Atlas Aggregates to provide a copy of its shareholder register and contact information in respect of its shareholders to the Proposal Trustee; and
- (c) an Order sealing the Confidential Affidavit of Byron Levkulich sworn November 1, 2023, to which is attached an unredacted copy of the Auction Agreement and the Confidential Supplement to the Third Report of the Proposal Trustee dated November 3, 2023 (the “**Sealing Order**”).

Attached as **Exhibits “FF”, “GG” and “HH”** are copies of these Orders.

D.3 Developments with respect to the Reclamation Work

- 86. As stated in paragraph 79 above, on August 1, 2023, the AEPA wrote to Mantle requiring that the Reclamation Work relating to the Inactive Aggregate Pits be completed by no later than November 1, 2023.
- 87. After the Interim Financing Facility was approved by the Court, Mantle completed the Reclamation Work required for the Buksa and Megley pits, and completed over 90% of the Reclamation Work required in the Kucy pit. With respect to the Kucy pit, on September 15, 2023, Basin Environmental, an environmental consultant retained by Mantle, issued a report confirming fish in the water body had been successfully salvaged.
- 88. On September 14, 2023, the AEPA issued a temporary field authorization (“TFA”) permitting Mantle to carry out the de-watering of a pond located on the SML 060060.

¹ As “Claims” and “Encumbrances” are defined in paragraph 3 of the Auction Order.

² As “Net Sale Proceeds” are defined in paragraph 5 of the Auction Order.

Mantle wanted to complete the de-watering earlier in 2023 and submitted a revised Remedial Plan to the AEPA on January 27, 2023. However, it was not approved by the AEPA until September 14, 2023, which is the same day the TFA was issued.

89. The de-watering process on SML 060060 took approximately six weeks. Once de-watering was complete, grading and contouring work was commenced along with the placing of topsoil. All of this work was complete on November 10, 2023. Given the delay in getting AEPA approval, Mantle was unable to plant the wetland and dryland vegetation before the onset of winter, with the result that it must be completed in spring 2024.
90. On September 25, 2023, Cory Pichota of Mantle met with Heather Dent and Maxwell Harrison of AEPA. During that meeting he provided them with an update on the progress being made to complete the Reclamation Work. In her email to Mr. Pichota after the meeting, Ms. Dent summarized the information provided by Mr. Pichota on the status of the Reclamation Work, including:
 - (a) there is no outstanding work at SML 930040, 980116 and 120027 and a formal assessment will be provided when due;
 - (b) the Megley Pit and the Buksa Pit were fully reclaimed and only the assessment stage is left;
 - (c) there were potential buyers for the Havener Pit and the Shankowski Pit, so any outstanding reclamation work would be handled through the Pit Sale Process;
 - (d) there are no reclamation requirements for the O’Kane Pit and AEPA was to review and respond to the transfer application; and
 - (e) Reclamation Work was continuing at the MacDonald Pit, the Kucy Pit and SML 060060.
91. At the end of the meeting, it was decided that Mantle would continue to engage with Mr. Harrison and Ms. Dent in relation to the EPOs and Mr. Harrison agreed to have a discussion with prospective buyers or parties interested in taking on the registration of any Aggregate Pits in place of Mantle to discuss AEPA’s requirements for lifting or closing the EPOs. A

copy of the email dated October 2, 2023 from Ms. Dent to Mr. Pichota is attached to this Affidavit as **Exhibit “II”**.

92. Mantle provided the AEPA a Progress Update Report dated October 16, 2023 (the “**October 2023 Progress Report**”), covering the period October 28, 2022 to October 16, 2023. The October 2023 Progress Report describes the completed Reclamation Work and the Reclamation Work that remains outstanding. As of October 16, 2023, the bulk of the Reclamation Work was complete. Attached to this Affidavit as **Exhibit “JJ”** is a summary of the Reclamation Work reported upon in the October 2023 Progress Report.
93. As reported in the October 2023 Progress Report, the Reclamation Work under the 2021 EPOs has been substantially completed, with the only tasks left to complete largely being the required monitoring. The majority of the costs associated with the Reclamation Work have been incurred and the cost going forward will be relatively modest.
94. However, as not all of the Reclamation Work was completed on the Hoye/Kucy Pit, SML060060 and the MacDonald Pit, Mantle wrote to the AEPA requesting extensions to complete the remaining work to May 15, 2024. In its request, Mantle explained that it was delayed in completing the work in part due to filing of the NOI and the need to cease operations until an order was received from the Court of King’s Bench of Alberta permitting them to continue operating, which order was received on August 18, 2023. A copy of the three emails dated October 25, 2023 from Mr. Pichota of Mantle to Maxwell Harrison and Heather Dent of the AEPA are attached hereto as **Exhibit “KK”**.
95. The AEPA issued a response to the October 2023 Progress Report. In its October 27, 2023 response, the AEPA does not provide any substantive comments with respect to the completed Reclamation Work or with respect to the timelines to complete the outstanding Reclamation Work. Nor does it state that the proposed timelines are not acceptable to the AEPA and have not been approved. Rather, the AEPA only points out that the original timelines in the Remediation Plans were not complied with. A copy of the October 27, 2023 response from Okey Obiajulu of the AEPA to Mantle is attached hereto as **Exhibit “LL”**.

96. On November 9, 2023, Ms. Dent of the AEPA sent an email to Mr. Pichota in response to his emails dated October 25, 2023, respecting the Hoye/Kucy Pit, SML060060 and the MacDonald Pit. In her email, Ms. Dent requested, among other things: (i) an explanation of what legal entity will assume responsibility for fulfilling the outstanding Environmental Reclamation Obligations after the bankruptcy process concludes; (ii) the mechanism or financial safeguards Mantle will put in place to ensure that sufficient funds are available to satisfy the outstanding Environmental Reclamation Obligations after the bankruptcy has concluded; and (iii) how satisfaction of the outstanding Environmental Reclamation Obligations will be funded. A copy of the November 9, 2023 email from Ms. Dent of the AEPA to Mr. Pichota of Mantle is attached to this Affidavit as **Exhibit “MM”**.
97. On September 21, 2023, the AEPA issued environmental protection orders EPO-EPEA-35656-11 and EPO-EPEA-35656-12 requiring the subject pits be reclaimed by October 31, 2023 (the “**Havener EPO**” and the “**Shankowski EPO**”). Then, on October 18, 2023, the AEPA issued three further environmental protection orders EPO-EPEA-35656-14, EPO-EPEA-35656-15 and EPO-EPEA-35659-17 (originally issued as EPO-EPEA-35656-12) requiring that SML 110025, SML 110047 and SML 110026 be reclaimed by November 24, 2023 (the “**Smoky Lake EPOs**”, which together with the Shankowski EPO and the Havener EPO, are referred to as the “**Active Pit EPOs**”). The AEPA stated in the Active Pit EPOs that they were being issued because the AEPA Inspector was of the opinion that Mantle’s financial resources and intention to reclaim these pits was in question. Attached as **Exhibits “NN”, “OO”, “PP” and “QQ”** are true copies of the Active Pit EPOs.
98. Because there is a significant risk that the Active Pit EPOs will disrupt the Pit Sale Process, and in light of all of the Reclamation Work Mantle is and has been conducting in connection with the Inactive Aggregate Pits, Mantle filed appeals of all of the Active Pit EPOs to the Environmental Appeals Board and requested a stay. Those appeals are ongoing.
99. Pursuant to an email dated September 22, 2023, Mr. Pichota of Mantle advised Ms. Strap, the Inspector that issued the Havener EPO and the Shankowski EPO, that Mantle would be appealing. At that time, Ms. Strap was advised of the Pit Sale Process that had been

launched to solicit interest in and opportunities for a sale of Mantle's pit registrations and mining lease rights, which include the Shankowski Pit and Havener Pit. A copy of the Mantle Pits Teaser issued as part of the Pit Sale Process was provided. Ms. Strap was also advised that the Havener EPO was incorrect in stating no mining had taken place since 2021, as mining took place in 2023. She was also advised the Shankowski EPO was incorrect in stating no mining had taken place since 2021, as mining took place in 2022.

100. With respect to the Havener Pit, Mantle did mine pit run and produced 158,217 tonnes of inventory from May 12 to June 21, 2022 (95,132 tonnes) and March 19 to April 20, 2023 (63,085 tonnes). During this time, Mantle completed some progressive reclamation in the depleted mined area. The footprint of the pit did not increase, as Mantle was cleaning up previously mined areas to deplete the existing pit run and continue with reclamation in the disturbed area.
101. Mantle appealed and sought a stay of four of the Active Pit EPOs on the basis, in part, that the Shankowski Pit, the Havener Pit and the Smoky Lake Pits are active pits and the deadlines set out therein for the completion of the reclamation work is unreasonable and cannot realistically be completed.
102. If the Havener Pit, the Shankowski Pit and the Smoky Lake Pits are sold as part of the Pit Sale Process, any future reclamation obligations will be assumed by the purchasers of the Active Aggregate Pits.
103. On September 8, 2023, Alberta Forestry and Parks ("AFP") wrote to Mantle requesting an update on their intentions for 17 dispositions for gravel pits on public land that Mantle and/or JMB and 216 held. In the same letter, AFP asked Mantle to advise when it would complete reclamation and apply for a reclamation certificate for nine pits.
104. On September 15, 2023, Mr. Pichota advised AFP that for about eleven pits it was looking to transfer the pit registration to a third party. Mr. Pichota did not provide an update on any reclamation work performed or the anticipated reclamation certificate application date for the Active Aggregate Pits, as this is information that would be provided at the time of the transfer application and/or by the third party that acquired the pit registration. Until

such time as Mantle knew whether and to whom the pit registration was to be transferred, the discussion about reclamation and reclamation certificate application dates was premature. For the Inactive Aggregate Pits, all of the Reclamation Work performed by Mantle and the anticipated reclamation certificate application dates were set out in the October 2022 Progress Report and the updates provided to the AEPA subsequently. In addition, the anticipated date for applying for a reclamation certificate was provided to Mr. Hemens in respect of SML060060, SML 120027, SML 930040, and SML 980116.

105. The AEPA was also advised on September 22, 2023, that nine dispositions were going to be a part of the Pit Sale Process, including the dispositions for the Havener Pit, the Shankowski Pit and the Smoky Lake Pits.
106. On October 11, 2023, AFP advised Mantle it intended to cancel four dispositions due to the failure to develop. Mantle was surprised to receive this notice, as the terms of the dispositions meant that Mantle's deadline for beginning operations on the land had not yet expired. Mantle responded to the AFP on October 31, 2023, contesting the cancellation of the dispositions and advising these dispositions were included in the Pit Sale Process.

E. CONVERSION TO CCAA

107. In discussions with the Proposal Trustee and my counsel, I understand that the maximum extensions of the initial 30 day time period within which Mantle is required to file a proposal under the *BIA* is five months, which ends on or about January 13, 2024. The directors and management of Mantle determined that initially it was more expeditious and efficient to commence the Proposal Proceedings under the *BIA* but that the six-month time line would ultimately require Mantle to convert the Proposal Proceedings to a proceeding under the *CCAA*. While Mantle has made much progress in achieving the goals outlined in paragraph 62 above, it requires more time than permitted under the *BIA*. The reasons for this are as follows:
 - (a) Mantle has completed the Major Reclamation Work on the majority of the Inactive Aggregate Pits. However, as related above, there is a two year Assessment Period,

during which Assessment Period Reclamation Work will have to be funded and performed.

- (b) With respect to two of the Inactive Aggregate Pits, while Mantle has completed the majority of the Major Reclamation Work, in the spring of 2024, it still has to place topsoil and plant vegetation.
- (c) The Equipment is to be auctioned by Ritchie Bros in December and the Net Sale Proceeds will be held in trust by the Proposal Trustee.
- (d) Mantle is advancing the Pit Sale Process with respect to the Active Aggregate Pits, but is still in discussions with the potential purchasers and the stakeholders potentially affected by those sales.

108. Mantle had been developing the form of a proposal under the *BIA* or plan under the *CCAA* which would permit Mantle to complete the process of selling and realizing upon its property and assets, perform the Major Reclamation Work and then when the Major Reclamation Work was completed, and a reasonable reserve was created to ensure that any Assessment Period Reclamation Work would be performed, provide for interim distributions to creditors. The intention underlying a proposal or plan was that it would provide a stable legal structure pursuant to which the Assessment Period Reclamation Work could be completed, the property and assets of Mantle realized, the AEPA Security recovered for the benefit of Mantle's creditors and reasonable distributions could be made to creditors. However, until the Major Reclamation Work has been completed, and Mantle is able to obtain from its contractors a reasonable budget for the Assessment Period Reclamation Work, it will be premature to develop sufficient consensus amongst the secured creditors with a true economic interest in Mantle and the AEPA that could support either a cost allocation or a plan. There is no prospect that this could be achieved by mid-January of 2024, when no further extensions would be available under the *BIA*. It is therefore critical that the Proposal Proceedings be continued and taken up under the *CCAA* in order to:

- (a) permit the completion of the remaining Major Reclamation Work;

- (b) permit the performance of the Assessment Period Reclamation Work;
- (c) complete the collection of Mantle's accounts receivable;
- (d) complete the sale, if possible, of the Active Aggregate Pits by purchasers who assume the Reclamation Liabilities associated therewith, and if not possible, provide for such Reclamation Liabilities to be addressed;
- (e) complete the sale of the remaining assets of Mantle; and
- (f) once reasonable reserves are provided for, make distributions to Mantle's creditors.

109. In order to advance these objectives, Mantle will be seeking at a later date the approval by this Honourable Court of an administration process under which:

- (a) subject to paragraph (b), all funds in Mantle's estate, other than amounts advanced under the Interim Facility, will be held by the Monitor in three trust funds;
- (b) certain funds will be held by Mantle in an operating reserve to fund its ongoing activities during the Restructuring Proceedings in accordance with the then current Cash Flow Statements;
- (c) the three funds held in trust by the Monitor will consist of the following:
 - (i) a reclamation trust fund, which will hold sufficient funds to permit Mantle to resolve the Reclamation Liabilities in respect of the Inactive Aggregate Pits, and any Active Aggregate Pits that Mantle cannot ultimately sell;
 - (ii) a restructuring cost trust fund, which will hold sufficient funds to pay amounts incurred during the Restructuring Proceedings, including to Proposal Trustee/Monitor, its counsel and Mantle's counsel; and
 - (iii) a distribution fund, which will hold funds that become available for distribution to the creditors according to their respective priorities;
- (d) if further funding for Reclamation Work is required because an Active Aggregate Pit cannot be sold, RLF Lender will provide financing for it under the Interim Facility;

- (e) Mantle has traced, and will continue to trace, the property from which proceeds are realized so that the secured creditors with an interest in the proceeds will be protected; and
- (f) once there is sufficient clarity with respect to the cost of the remaining Reclamation Work, Mantle will seek from this Honourable Court the authority to distribute the amount in excess thereof less a reasonable reserve, together with a reserve for the restructuring costs, to the secured creditors, subject to the Monitor or this Honourable Court determining a fair allocation amongst the secured creditors of the costs of the Reclamation Work and the restructuring costs.

Mantle and FTI are still in the process of finalizing the document, and will circulate it to the interested parties for their comment prior to seeking the approval of this Honourable Court.

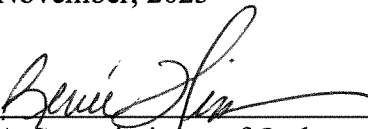
- 110. Pathward filed a statement of claim against RLF Canada seeking, among other things, damages in the amount of \$544,408.61 plus interest pursuant to the Pathward Loan Agreement, which RLF Canada signed as a guarantor. On October 30, 2023, RLF Canada filed a statement of defence disputing Pathward's claims. Following service of the statement of defence on Pathward, no further steps have been taken in the Action. Attached hereto and marked as **Exhibits "RR"** and **"SS"** are copies of the statement of claim and statement of defence filed in the action. Mantle seeks protection from this Honourable Court for RLF Canada. If Pathward is able to exercise remedies against the shares of Mantle, it could divert management attention and time to responding to those remedies, and undermine Mantle's ability to address its Reclamation Liabilities and maximize the amounts distributable to the creditors.
- 111. Mantle seeks the continuation and taking up of the Proposal Proceedings under the *CCAA* so that Mantle can work towards a successful sale of its assets for the benefit of its creditors. Mantle will be unable to make a proposal to its creditors within the statutory time periods provided for under the *BIA* as its environmental reclamation obligations will extend past those statutory time periods.

112. The continuation of the proceeding under the *CCAA* 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 continuation; and
 - (c) a continuation under the *CCAA* is necessary to allow Mantle sufficient time and opportunity to satisfy its Reclamation Liabilities and in consultation with its secured creditors preserve, sell its property in a commercially reasonable manner, and develop a proposal.
113. As indicated in an updated Cash Flow Statement for the period between December 1, 2023 and March 1, 2024, which is attached to the report of FTI in its capacity as proposed Monitor, Mantle has sufficient cash flow to continue carrying out the activities referred to above under the *CCAA*.
114. The continuation of Mantle's restructuring under the *CCAA* strikes a balance between the public's interest in ensuring 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.
115. No proposal has been filed such that these proceedings can and should be continued under the *CCAA*.
116. Mantle is a company to which the *CCAA* applies, is insolvent and has creditor claims against it in excess of \$5 million.
117. In the circumstances, the relief sought is appropriate and necessary to facilitate the making of a compromise or arrangement between Mantle and its creditors.
118. There are a large number of affected stakeholders who each have an interest in the Applicant completing the Remediation Obligations and having its operations continue, including the primary secured creditors of Mantle, its remaining employees, its trade creditors, and the interests of the general public and Alberta taxpayers in ensuring that the

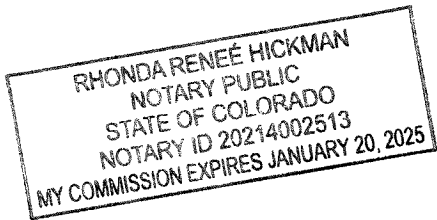
Reclamation Liabilities with respect to the Inactive Aggregate Pits are satisfied and the Reclamation Liabilities with respect to the Active Aggregate Pits are either assumed by purchasers, or if remaining in Mantle, satisfied.

119. FTI as the Proposal Trustee and proposed Monitor supports the continuation of Mantle's restructuring proceedings under the CCAA. FTI has consented to acting as Monitor. Attached to this Affidavit as **Exhibit "TT"** is a copy of FTI's consent to act as Monitor.

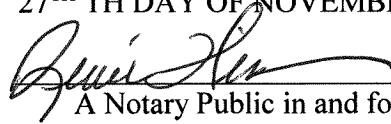
Sworn before me at the City of Denver, in the State of Colorado, on this 27th day of November, 2023


A Commissioner of Oaths


Byron Levkulich



THIS IS EXHIBIT "A" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

CERTIFICATE OF STATUS

Form 32

I CERTIFY THAT ACCORDING TO THE OFFICIAL RECORDS OF THE CORPORATE REGISTRY

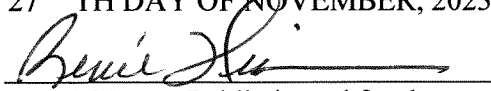
MANTLE MATERIALS GROUP, LTD.
FORMED BY AMALGAMATION IN ALBERTA ON 2021/05/01
IS AS OF THIS DATE A VALID AND SUBSISTING CORPORATION.

GIVEN UNDER MY SEAL OF OFFICE IN THE PROVINCE OF ALBERTA.

DATED: 2023/10/31



THIS IS EXHIBIT "B" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

RLF Canada Holdings Limited

is a

Corporation

formed or registered on 07/08/2020 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20201594968 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 10/24/2023 that have been posted, and by documents delivered to this office electronically through 10/28/2023 @ 12:38:16 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 10/28/2023 @ 12:38:16 in accordance with applicable law. This certificate is assigned Confirmation Number 15441912 .



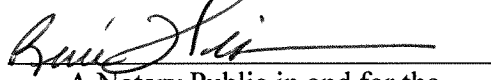
A handwritten signature in blue ink that reads "Jena Griswold".

Secretary of State of the State of Colorado

*****End of Certificate*****

Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's website, <https://www.coloradosos.gov/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

THIS IS EXHIBIT "C" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

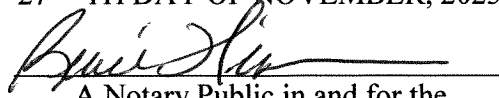
Mantle Materials Group, Ltd.
(Public Pits)

Public Lands Disposition #	Legal Location	Municipality	Pit Expiration Date	Water Act	WA Expiration Date	EPO	Gross Estimated Reserves (Tonnes)	Elimination (Estimate)	Status	Notes
SML 060060	SW¼ 13-65-18-W4	Athabasca County	2024-05-27	Yes	N/a	Yes	N/A	N/A	Reclamation	EPO - waiting on approval for the WA - End Pit Lake
SML 080085	NW 12, SW 13-63-19-W4	Thorhild County	2022-05-27	No	-	No	-	-	Expired-Not Opened	May 31, 2023 -Letting it expire. Will need a rec-cert to cancel
SML 100085	NW & NE 12-63-19-W4	Thorhild County	2026-06-23	No	-	No	-	-	Not Opened	
SML 110025	NE 11-61-18-W4	Smoky Lake County	2024-02-10	Yes	2024-02-10	No	772,200	70.0%	Open	
SML 110026	SE 11-61-18-W4	Smoky Lake County	2022-04-10	Expired	-	No	752,400	70.0%	Open	'Submitted March 2023 - Luc Boulianne - Luc.Boulianne@gov.ab.ca- (has not reviewed CORP yet)
SML 110045	SE & NE 15-61-18-W4	Smoky Lake County	2025-03-17	Yes	2025-03-17	No	236,880	70.0%	Open	
SML 110046	NE & NW 15-61-18-W4	Smoky Lake County	2025-03-17	No	-	No	747,100	70.0%	Open	
SML 110047	NW 15-61-18-W4 SW 15-61-18 W4M SE 15-61-18 W4M	Smoky Lake County	2025-03-17	No	-	No	1,372,180	70.0%	Open	
SML 120005	NW & SW 14-61-18-W4	Smoky Lake County	2027-10-04	No	-	No	904,400	70.0%	Open	
SML 120006	NW 14-61-18-W4	Smoky Lake County	2027-10-04	No	-	No	0	70.0%	Not Opened	
SML 120100	SE 21-61-18-W4	Smoky Lake County	2027-10-04	No	-	No	2,440,000	70.0%	Not Opened	Access needs to be determined
SML 120027	SW 30-63-08-W4	Municipal District of Bonnyville	2030-01-12	No	-	Yes	N/A	N/A	Reclaimed	EPO - monitoring
SML 930040	SE 23-61-07-W4	Municipal District of Bonnyville	2013-07-28	No	-	Yes	N/A	N/A	Reclaimed	'EPO - monitoring
SML 980116	SW 21-63-12-W4	Lac La Biche County	2009-02-14	No	-	Yes	N/A	N/A	Reclaimed	'EPO - monitoring
DML 120032	NW-20-74-08-W4	Lac La Biche County	2023-01-06	No	-	No	N/A	N/A	Open	Renewal Submitted March 7, 2023 - Caroline (caroline.hiew@gov.ab.ca)- reviewer

Mantle Materials Group, Ltd.
(Private Pits)

Private Land Name	Registration #	Registration Date	Legal Location	Municipality	Land Owner	Water Act	WA Expiration Date	EPO	Gross Estimated Reserves (Tonnes)	Elimination (Estimate)	Royalty Agreement Expiry Date	Status	Notes
ANDRYCHUK		In progress	S½ 15-57-14-W4	County of Two Hills	Darren Andrychuk	In Progress	In Progress	No				Not Registered	Need to Pay security
BUKSA	15048-03-00	EPO	NE 24-56-7-W4	County of St. Paul	Harvey Buksa	N/A	N/A	Yes	N/A	N/A		EPO - Reclaiming	EPO - Cultivating/discing/rock picking/ seeding remain to complete
HAVENER	17395-01-00	NEW UAP required	NW 16-56-7-W4	County of St. Paul	Gail Havener	In Progress	In Progress	Yes				Open	Should be removed from EPO-UAP in progress by Basin (ON HOLD)
JMB ELK POINT	Expired	Expired	NE 35-56-6-W4	County of St. Paul	Aarbo Ranching Ltd.	N/A	N/A	No	N/A	N/A		Expired	Non-compliance. In progress
KUCY	306490-00-00	EPO	NW 17, NE 18, SE 19-63-9-W4	M.D of Bonnyville	John & Travis Kwiatkowski, Kucy	N/A	N/A	Yes	N/A	N/A		EPO - Reclaiming	EPO - To be completed this year
MACDONALD	293051-00-00	EPO	SE 34-56-07-W4	County of St. Paul	Allan MacDonald	N/A	N/A	Yes	N/A	N/A		EPO - Reclaiming	EPO - To be completed this year
MEGLEY	149949-00-01	EPO	SW 35, NW, SW and SE 36-58-16-W4	Smoky Lake County	Doug Megley	N/A	N/A	Yes	N/A	N/A		EPO - Reclaiming	EPO - To be completed this year- Rock picking of main field.
OKANE	263318-00-00	In progress	N½ 10-57-6-W4	County of St. Paul	Aarbo Ranching Ltd.	DAUT0011397	2032-10-31	Yes	N/A	N/A		N/A EPO - Registration	Transfer progress- Annette Vawter - annette.vawter@gov.ab.ca
SHANKOWSKI	308161-00-00	NEW UAP required	SW 21-56-7-W4	County of St. Paul	Jerry Shankowski	DAUT0010183	2032-04-02	Yes				Open	New UAP required b/c WA has been added. In progress- Basin (ON HOLD)

THIS IS EXHIBIT "D" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

Progress Update Report

EPO-EPEA-35659-01
MacDonald

EPO-EPEA-35659-02
Megley

EPO-EPEA-35659-03
Hoye/Kucy

EPO-EPEA-35659-04
Havener

EPO-EPEA-35659-05
Buksa

EPO-EPEA-35659-06
Okane

EPO-EPEA-35659-07/ EO-WA-35659-01
SML 060060

EPO-EPEA-35659-08
SML 930040

EPO-EPEA-35659-09
SML 980116

EPO-EPEA-35659-10
SML 120027

Mantle Materials Group, Ltd. (Mantle)

OCTOBER 28th, 2022

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5	EPO-EPEA-35659-04 Havener	9
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9	EPO-EPEA-35659-08 SML930040	17
10	EPO-EPEA-35659-09 SML 980116	19
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Appendix A: MacDonald
Appendix B: Megely
Appendix C: Buksa
Appendix D: SML060060

1 Executive Summary

This is the fourth report as a requirement for detailing the progress of the reclamation activities associated with EPO-EPEA-35659-01 to 10 and EO-WA-35659-01. The reporting period of activities is from July 29, 2022, to October 28, 2022.

Approximately \$630,000 has been spent in 2021 & 2022 on reclamation in MacDonald, Megley, Buksa, SML 930040, SML 980116, SML 120027, and SML 060060. This includes internal costs, third party services, and project materials directly related to reclamation operations.

There is outstanding reclamation to complete in 2023. **Mantle requests amendments for completion dates as per the updated schedules listed in Table 1.**

Table 1 provides a status summary of the EPOs/EO that are covered in this report.

Table 1: EPO/EO Status Summary

EPO #	Pit Identifier	EPO Plan / UAP	EPO Reclamation Activity 4 th report period	Proposed Changes
EPO-EPEA-35659-01	MacDonald	EPO Plan	No	Request to amend the Plan Schedule of Implementation completion date. Refer to Table 2.
EPO-EPEA-35659-02	Megley	EPO Plan	Yes	Request to amend the Plan Schedule of Implementation completion date. Refer to Table 3.
EPO-EPEA-35659-03	Hoye/Kucy	EPO Plan	Yes	Request to amend the Plan Schedule of Implementation completion date. Refer to Table 4.
EPO-EPEA-35659-04	Havener	Updated Activities Plan (UAP) Approved	N/A	None
EPO-EPEA-35659-05	Buksa	EPO Plan	No	Request to amend the Plan Schedule of Implementation completion date. Refer to Table 5.
EPO-EPEA-35659-06	Okane	UAP and WA application submitted.	N/A	None
EPO-EPEA-35659-07 / EO-WA-35659-01	SML 060060	EPO Plan	Yes	Request to amend the Plan Schedule of Implementation completion date. Refer to Table 7.
EPO-EPEA-35659-08	SML 930040	EPO Plan	No	None
EPO-EPEA-35659-09	SML 980116	EPO Plan	No	None
EPO-EPEA-35659-10	SML 120027	EPO Plan	No	None

2 EPO-EPEA-35659-01 MacDonald

2.1 Summary

A portion of the disturbance in the north-west was worked on in May 2022. No further reclamation has occurred since then.

2.2 Marketable Aggregate

All marketable aggregate has been removed from the site.

The amendment for the removal of the oversize rocks has expired and no extension will be required. The rocks will be utilized as fill for reclamation activity on site.

2.3 Reclamation Activities 2022

No further activities occurred since the July 28, 2022, report.

2.4 EPO-EPEA-35659-01 MacDonald - Updated Schedule

Table 2: Updated Schedule of Activities for MacDonald Reclamation (Grey = completed)

Year	Activity covered under EPO or EPEA Registration	Description	Completion Date
2021	EPO	Removed a portion of marketable material	2021
2021	EPO	Site Assessment to finalize topsoil volume availability	May 15 th
2022	EPO	Remove a portion of the marketable material	June 15 th
2022	EPO	Complete a portion of the recontouring activities	July 15 th
2022	EPO	Remove all remaining marketable materials	Oct 28 th
2023	EPO	Complete the remaining of the recontouring activities including disposal of oversize rocks, place topsoil, and seed topsoil with pasture mix Sept 1 st – Oct 31 st	Oct 31 st
2023	EPO	Six-month monitoring requirement as per the EPO	Nov 1 st , 2023, to April 30 th , 2024
2024	EPO	Assess soil stability after spring thaw	May 15 th
2024	EPEA	Assess pasture vegetation success and survey for the presence of weeds	July 1 st
2025	EPEA	Assess the soil stability after spring thaw	May 15 th
2025	EPEA	Assess crop vegetation success and survey for the presence of weeds	July 1 st
2025	EPEA	Apply for reclamation certificate that will go towards terminating the registration	Nov 1 st

3 EPO-EPEA-35659-02 Megley

3.1 Summary

The dewatering and filling in of both the large waterbody and the dugout in SW 36-58-16-4 have been completed.

Historical documentation stated that soil in the northern portion of the pit was sparse and, in some cases, non-existent. After further field investigation by Mantle, it was determined that adequate soil cover exists on a portion of that area. As such it is believed that this portion of the pit was never stripped of soils and/or excavated for aggregate production. The local farmer that leases the land for crop production has tilled it in preparation for future farming. See included map for location reference of the tilled area.

3.2 Marketable Aggregate

The continued removal of marketable material has continued throughout the fall and will continue into 2023. All remaining product will be removed before final reclamation.

3.3 Reclamation Activities 2022

Reclamation activities have been completed for the season.

3.3.1 Recontouring

Most of the rough grade, contouring, and spreading of the elimination piles has been completed. The remaining areas will require the spreading out of the remaining reclamation material and achieving rough grade to ensure that the pit ties into the surrounding landscape.

3.3.2 Topsoil Placement

No topsoil placement has been carried out to date.

3.3.3 Revegetation

No seeding has occurred to date.

3.4 EPO-EPEA-35659-02 Megley - Updated Schedule

Table 3: Updated Schedule of Activities for Megley Reclamation (Grey = completed)

Year	Activity covered under EPO or EPEA Registration	Description	Completion Date
2021	EPO	Filled in a portion of the eastern waterbody (SW-36-58-16-W4M)	Nov 15 th
2022	EPO	Northern portion was tilled.	July 22 nd
2022	EPO	Complete filling in of all open excavations that have intercepted the ground water	Aug 23 rd
2023	EPO	Complete all remaining recontouring activities and replace topsoil Aug 1 st – Sept 30 th	Sept 30 th
2023	EPO	Remove all remaining marketable material	Sept 30 th
2023	EPO	Six-month monitoring requirement as per the EPO	Oct 1 st , 2023, to March 30 th , 2024
2024	EPEA	Assess the soil stability after spring thaw	May 15 th
2024	EPEA	Assess crop vegetation success and survey for the presence of weeds	July 1 st
2025	EPEA	Assess the soil stability after spring thaw	May 15 th
2025	EPEA	Assess crop vegetation success and survey for the presence of weeds	July 1 st
2025	EPEA	Apply for reclamation certificate that will go towards terminating the registration	Nov 1 st

4 EPO-EPEA-35659-03 Hoye/Kucy

4.1 Summary

No further aggregate production under a Mantle pit registration will be pursued in the Hoye/Kucy pit. Final reclamation will be completed in 2023.

4.2 Marketable Aggregate

The amendment for the removal of the elimination sand next to the waterbody has expired and no extension is required. The remaining sand will be utilized as reclamation material to fill in the waterbody.

No marketable aggregate has been removed by Mantle. There is no viable opportunity for Mantle to market the small pile of product identified in the EPO Plan.

4.3 Reclamation Activities 2022

The constructed waterbody and the Beaver River were sampled prior to dewatering for total metals and routine water analysis, total suspended solids (TSS), and pH. Once again, the results showed the constructed waterbody is of a higher water quality than the Beaver River. Samples will be taken again prior to the commencement of dewatering activities in 2023.

Preparations for pumping and some pumping occurred in August of this year. The pumping occurred only for a few days as resources were prioritized to SML 060060 EPO reclamation activities for the remainder of the season. Regular water samples from the discharge were sent to a credited lab for analysis. All samples were within the tolerances of the TSS and pH release limits listed in the Code of Practice for Pits.

4.4 EPO-EPEA-35659-03 Hoye/Kucy - Updated Schedule

Table 4: Updated Schedule of Activities for Hoye/Kucy Reclamation (Grey = completed)

Year	Activity covered under EPO or EPEA Registration	Description	Completion Date
2022	EPO	Preparation for dewatering. Dewatering.	Sep 13 th
2023	EPO	Dewatering of the Waterbody. May 1 st – June 30 th	June 30 th
2023	EPO	Deconstruct waterbody, complete final recontouring, topsoil placement, and seeding of topsoil July 1 st – Aug 31 st	Aug 31 st
2023	EPO	Six-month monitoring requirement as per the EPO	Sept 1 st , 2023, to March 1 st , 2024
2024	EPEA	Assess soil stability, revegetation success, and for the presence of weeds	May 15 th
2024	EPEA	Address any shortfalls discovered from the assessment	June 15 th
2025	EPEA	Assess vegetation success and survey for the presence of weeds	May 15 th
2025	EPEA	Address any shortfalls discovered from the assessment	June 15 th
2025	EPEA	Apply for reclamation certificate that will go towards terminating the registration	Nov 1 st

5 EPO-EPEA-35659-04 Havener

5.1 Summary

An Updated Activities Plan (UAP) has been approved and securities have been paid. Aggregate production under the UAP approval occurred in 2022.

Mantle has requested that the EPO for this pit be closed.

6 EPO-EPEA-35659-05 Buksa

6.1 Summary

No further reclamation activities occurred during this reporting period.

6.2 Marketable Aggregate

The amendment for the removal of the oversize rocks has expired and no extension will be required. The rocks will be utilized as fill for reclamation activity on site.

6.3 Reclamation Activities 2022

No further activities occurred since the July 28, 2022, report.

6.4 EPO-EPEA-35659-05 Buksa - Updated Schedule

Table 5: Updated Schedule of Activities for Buksa Reclamation (Grey = completed)

Year	Activity covered under EPO or EPEA Registration	Description	Completion Date
2021	EPO	Completed the major recontouring	Nov 14 th
2022	EPO	Additional recontouring including backfilling and recontouring along the east side.	May 28 th
2023	EPO	Complete final recontouring including oversize rock disposal, topsoil placement, and seeding Sept 1 st – Oct 31 st	Oct 31 st
2023	EPO	Six-month monitoring requirement as per the EPO	Nov 1 st , 2023, to April 30 th , 2024
2024	EPEA	Assess the soil stability after spring thaw	May 15 th
2024	EPEA	Assess crop vegetation success and survey for the presence of weeds	July 1 st
2024	EPEA	Address any shortfalls discovered from the assessment	Sept 20 th
2025	EPEA	Assess the soil stability after spring thaw	May 15 th
2025	EPEA	Assess crop vegetation success and survey for the presence of weeds	July 1 st
2025	EPEA	Address any shortfalls discovered from the assessment	Sept 20 th
2025	EPEA	Apply for reclamation certificate that will go towards terminating the registration	Nov 1 st

7 EPO-EPEA-35659-06 Okane

7.1 Summary

An Updated Activities Plan (UAP) was submitted for review in March 2022. Mantle received a Supplemental Information Request (SIR) in which the response for the SIR has been submitted. The Water Act (WA) was submitted October 14, 2022. The approval for both the UAP and the WA is pending.

7.2 Reclamation Activities 2022

No reclamation activities occurred during this reporting period.

7.3 EPO-EPEA-35659-06 Okane - Updated Schedule

Table 6: Updated Schedule of Activities for Okane Reclamation (Grey = completed)

Year	Activity covered under EPO or EPEA Registration	Description	Completion Date
2021	EPO	Completed erosion remediation	Nov 13 th
2022	EPO	UAP submission	March 10 th
2022	EPO	SIR submission	Aug 1 st
2022	EPO	WA Submission	Oct 14 th
2022	EPO	Application for transfer of pit registration and Water Act approval from Mantle to Aarbo Ranching	15 days after receiving UAP approval

8 EPO-EPEA-35659-07 / EO-WA-35659-01 SML 060060

8.1 Summary

Reclamation for SML 060060 began on August 22nd and shut down on October 21st, 2022. Activities on site included dewatering, remediation of the northern ditch, recontouring an area in the northern portion, removing and salvaging buried topsoil and woody debris, interim remediation of the southeastern border, soil salvage, backfilling a portion of the waterbody, recontouring, and rough grading.

To access the pit, Mantle must cross the Amisk River. Historically the Amisk river crossing does not dry up, at this crossing site, until later in the summer. To reduce the risk and avoid extra costs with crossing the Amisk river during a flow period, Mantle is proposing to start earthworks activities August 1st, 2023.

The EPO amendment for hauling aggregate has now expired (July 31st, 2022) no extension was approved. The pit run that was remaining on site was used for recontouring and backfilling the waterbody.

Mantle recently engaged with AEP regarding an amended approach to the end land use. Specifically, Mantle presented the approach of developing a viable end pit lake concept as part of the final reclamation on the landscape. AEP is currently reviewing the request.

8.2 Reclamation Activities 2022

8.2.1 Dewatering

Prior to dewatering the constructed waterbody was again sampled for total metals and routine water analysis, total suspended solids (TSS), and pH. The results were positive to support the start up of dewatering operations.

Dewatering commenced on August 24th and ended on October 19th. During this time seven water samples (TSS/pH) were collected at the entry point into the wetlands adjacent to the lake. All samples were below the discharge threshold maximums as per the “Environmental Quality Guidelines for Alberta Surface Waters” (Government of Alberta, 2018).

Prior to starting the earthworks reclamation activities, the water level monitoring well was installed in the first week of June within the Wooded Coniferous Swamp S-Wc. On August 25th a levellogger and the barologger were installed in the water level monitoring well and were setup to record water level fluctuation and changes in atmospheric pressure and temperature, respectively. The two loggers recorded and logged until October 11, 2022. During the regular monitoring of the wetland water level at the monitoring well it was noticed that the level had receded slightly. As per the EPO/EO Plan tactics the discharge was temporally directed into the wetland to recharge it. The tactic proved successful to bring the level back up pre-existing conditions. The wetland

water level continued to be monitored during the remaining dewatering activities. The level stayed static and no additional recharging tactics were deployed.

The discharged water from the dewatering was not expected to be able to enter Amisk Lake. As part of the regular monitoring, the discharged water was observed to be entering the lake via a wetland with open water that borders the lake. Once discovered Mantle obtained water samples of the discharge at the end of the discharge hose and the entry point into the wetlands adjacent to the lake. After the samples were taken the pump was shut down and the samples were tested for TSS. During the dewatering operations the surface flow showed no signs of erosion, scouring, or sediment build up. An amendment was submitted to AEP along with results of samples at the discharge site, the Amisk Lake entry point, and an additional sample collected from the Amisk River. The Amisk River was sampled for total metals and routine water analysis, TSS, and pH. All results were positive to support the continuation of dewatering into Amisk Lake. AEP approved the amendment and dewatering commenced with the expectation of continuing the weekly sampling of the water prior to draining into the Amisk Lake. Weekly samples were collected for pH and TSS for the remainder of the dewatering program and they continued to be under the maximum thresholds.

8.2.2 Recontouring

The recontouring along the northeast border uncovered topsoil and woody debris that was buried in a natural depression. The burying of this material occurred prior to JMB/Mantle taking over the pit from JLG. The buried material was salvaged and the depression was recontoured to match surrounding patterns of natural drainage. The topsoil and woody debris salvaged is approximately 5,000 m³. This volume will go towards a positive increase in the soil replacement calculations for the pit.

8.2.3 Topsoil Replacement

Topsoil was replaced on the remediated ditch in the northern portion of the SML.

8.2.4 Revegetation

No revegetation activities have occurred to date.

8.3 EPO-EPEA-35659-07 / EO-WA-35659-01 SML 060060 - Schedule

Table 7: Schedule of Activities for SML 060060 Reclamation (Grey = completed)

Year	Activity covered under EPO or EPEA Registration	Description	Completion Date
2022	EPO	Remediation of the North ditches – stripping soils, recontouring, final topsoil placement.	Aug 30 th
2022	EPO	Final recontouring of the Northern area. Interim remediation of southwest erosion. Salvaged topsoil and woody debris. Stripping topsoil. Dewater waterbody and completed partial backfilling of the waterbody.	Oct 21 st
2023	EPO	Dewater the waterbody. July 1 st – July 31 st	July 31 st
2023	EPO	Remediation of the waterbody-backfilling, major recontouring of the constructed waterbody. Complete all remaining reclamation activities; Final fill, final recontouring, final topsoil placement, seeding Aug 1 st – Sept 30 th	Sept 30 th
2023	EPO	Six-month monitoring requirement as per the EPO	Oct 1 st , 2023, to March 31 st , 2024
2024	EPEA	Assess completed reclamation for soil stability, vegetation success, weeds	Aug 15 th
2025	EPEA	Assess completed reclamation for soil stability, vegetation success, weeds	Aug 15 th
2025	EPEA	Apply for reclamation certificate that will go towards terminating the registration	Sept 15 th

9 EPO-EPEA-35659-08 SML930040

9.1 Summary

On July 28th, 2022, Mantle requested for the EPO to be closed on this pit. In response AEP conducted a field assessment on August 15th and on October 18th AEP denied Mantles request.

As weeds were observed on site in 2022 by both Mantle and AEP (field assessment Aug 15th, 2022), weed management will occur in 2023 as part of the ongoing maintenance required to receive a reclamation certificate in the future.

9.2 EPO-EPEA-35659-08 SML930040 - Updated Schedule

Table 8: Updated Schedule of Activities for SML 930040 Reclamation (Grey = completed)

Year	Activity covered under EPO or Surface Material Lease (SML)	Description	Completion Date
2021	EPO	Removal of garbage and debris. Complete the recontouring, seeding, and block access	Oct 20 th
2022	EPO	Six-month monitoring requirement as per the EPO	Nov 1 st , 2021, to April 30 th , 2022
2022	EPO	Assess soil stability, revegetation success, and check for the presence of weeds	July 15 th
2022	EPO	Address any shortfalls discovered from the assessment	Sept 20 th
2023	SML	Assess the soil stability after spring thaw	May 15 th
2023	SML	Assess vegetation success and survey for the presence of weeds.	July 1 st
2023	SML	Address any shortfalls discovered from the assessment.	Sept 20 th
2023	SML	Apply for reclamation certificate that will go towards cancellation of the Surface Materials Lease	Nov 1 st

10 EPO-EPEA-35659-09 SML 980116

10.1 Summary

On July 28th, 2022, Mantle requested for the EPO to be closed on this pit. In response AEP conducted a field assessment on August 15th and on October 18th AEP denied Mantles request.

As weeds were observed on site in 2022 by both Mantle and AEP (field assessment Aug 15th, 2022), weed management will occur in 2023 as part of the ongoing maintenance required to receive a reclamation certificate in the future.

10.2 EPO-EPEA-35659-09 SML 980116 - Updated Schedule

Table 9: Updated Schedule of Activities for SML 980116 Reclamation (Grey = completed)

Year	Activity covered under EPO or Surface Material Lease (SML)	Description	Completion Date
2021	EPO	Complete the dugout construction and topsoil placement by October 31 st	Oct 14 th
2021	EPO	Seed native grass seed	Dec 31 st
2022	EPO	Six-month monitoring requirement as per the EPO	Jan 1 st , 2022, to June 30 th 2022
2022	EPO	Assess soil stability, revegetation success, and check for the presence of weeds	July 15 th
2022	EPO	Address any shortfalls discovered from the assessment	Sept 20 th
2023	SML	Assess the soil stability after spring thaw	May 15 th
2023	SML	Assess vegetation success and survey for the presence of weeds	July 1 st
2023	EPO	Address any shortfalls discovered from the assessment	Sept 20 th
2023	SML	Apply for reclamation certificate that will go towards cancellation of the Surface Materials Lease	Nov 1 st

11 EPO-EPEA-35659-10 SML120027

11.1 Summary

On July 28th, 2022, Mantle requested for the EPO to be closed on this pit. In response AEP conducted a field assessment on August 15th and on October 18th AEP denied Mantles request.

As weeds were observed on site in 2022, weed management will occur in 2023 as part of the ongoing maintenance required to receive a reclamation certificate in the future.

11.2 EPO-EPEA-35659-10 SML120027 - Updated Schedule

Table 10: Updated Schedule of Activities for SML 120027 Reclamation (Grey = completed)

Year	Activity covered under EPO or Surface Materials Lease (SML)	Description	Completion Date
2021	EPO	Complete hydroseeding on required areas	Oct 13 th
2022	EPO	Six-month monitoring requirement as per the EPO	Nov 1 st , 2021, to April 30, 2022
2022	EPO	Assess soil stability, revegetation success, plant trees and check for the presence of weeds	July 15 th
2022	EPO	Address any shortfalls discovered from the assessment	Sept 20 th
2023	SML	Assess the soil stability after spring thaw	May 15 th
2023	SML	Assess vegetation success and survey for the presence of weeds	July 1 st
2023	EPO	Address any shortfalls discovered from the assessment	Sept 20 th
2023	SML	Apply for reclamation certificate that will go towards cancellation of the Surface Materials Lease	Nov 1 st

12 Closure

This report has been prepared by Abby Horne RPF, Aggregate Planner and Tyler Pell RPFT, Aggregate Resource Manager, Mantle Materials Group, Ltd.



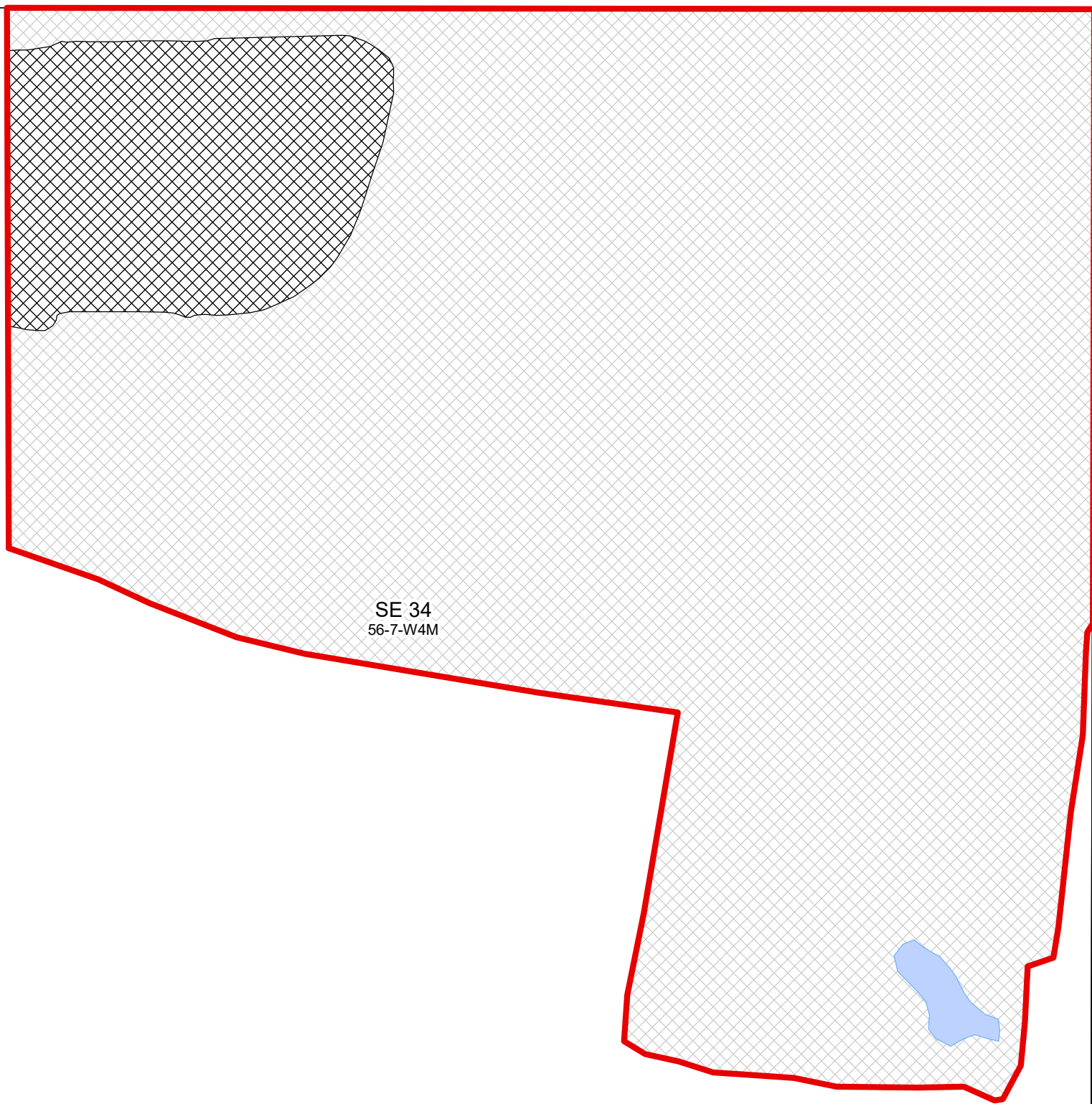
APPENDIX A: MacDonald

NE 34
56-7-W4M

NW 35
56-7-W4M

SE 34
56-7-W4M

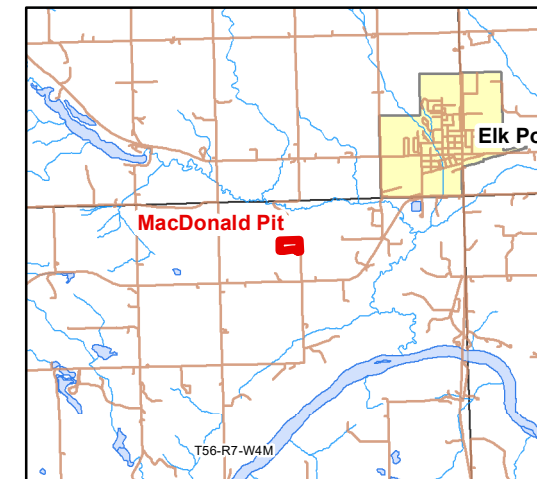
SW 35
56-7-W4M



MANTLE MATERIALS
GROUP LTD.
MacDonald Pit
EPO-EPEA-35659-01 Plan
CURRENT CONDITIONS MAP

County of St. Paul No. 19

WITHIN:
SEC 34 TWP 56 RGE 7 W4M



LEGEND

- Disturbance Boundary
- Dugout
- Recontoured
- Total Disturbance (11.8 ha)

DATE:
October 27, 2022

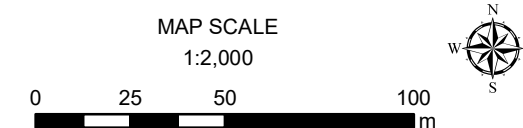
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Decimal Degrees
North Azimuth

DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

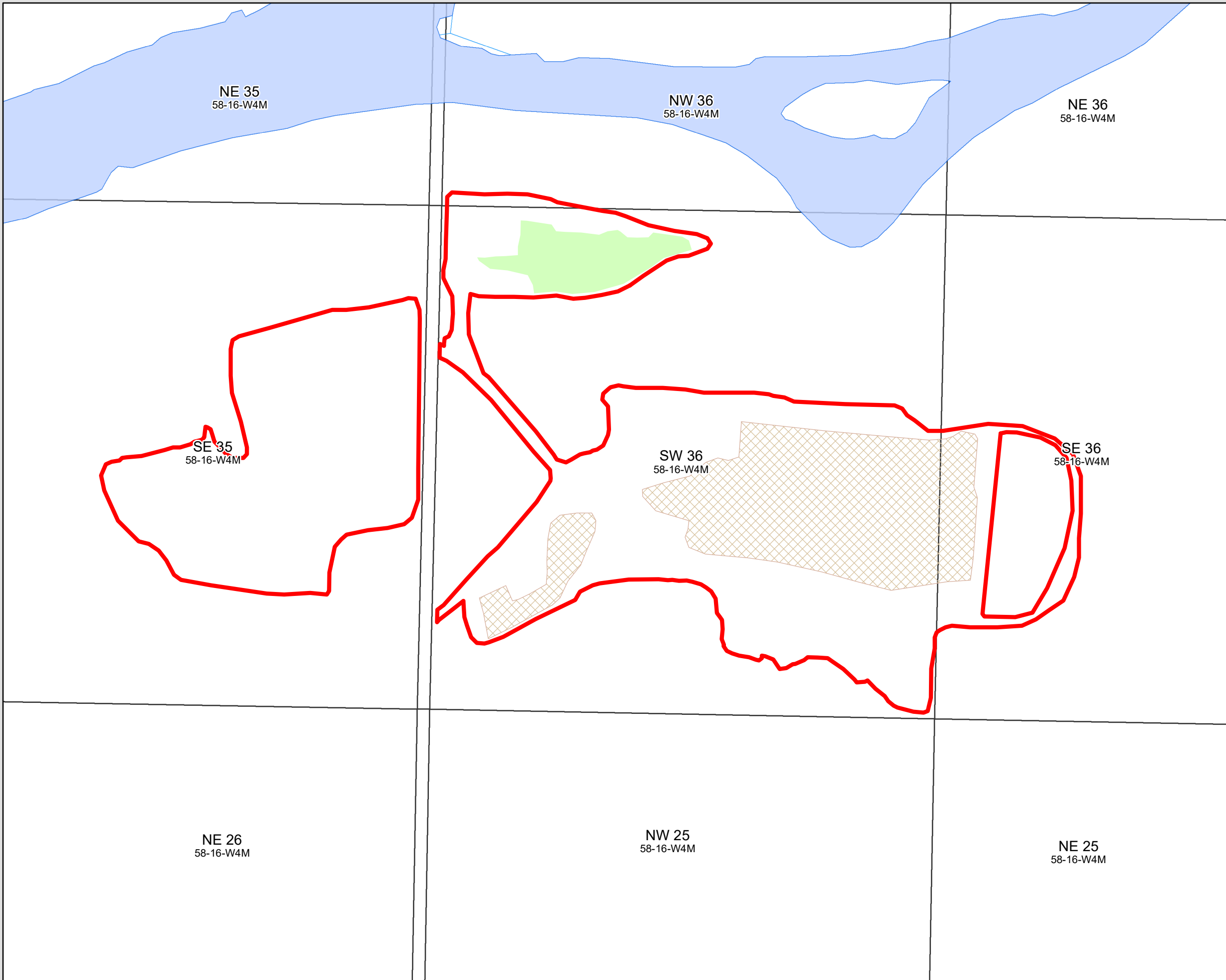
VERSION:
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DATUM:
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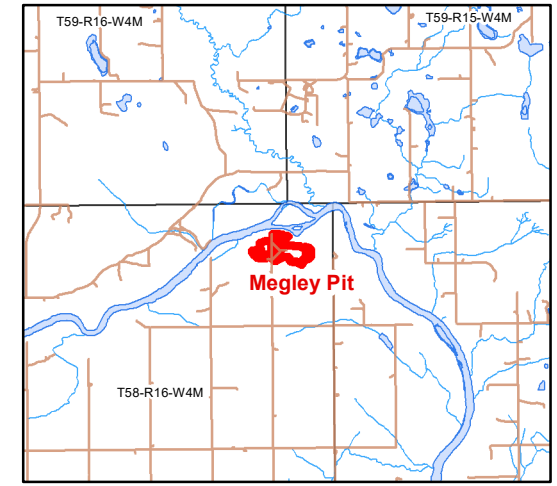
Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774

Appendix B: Megley






**MANTLE MATERIALS
GROUP LTD.**
**Megley Pit
Current Conditions**

Lamont County
 WITHIN:
 SE 35 TWP 58 RGE 16 W4M
 NW & SW 36 TWP 58 RGE 16 W4M
 SE 36 TWP 58 RGE 16 W4M



LEGEND

-  Disturbance Boundary
-  Recontoured Area
-  Megley Tilled

DATE:
October 27, 2022

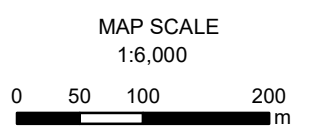
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North Azimuth

DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

VERSION:
1.0

DATUM:
NAD 1983



Mantle Materials Group Ltd.
 P.O. Box 6977 Bonnyville, AB T9N2H4
 Phone: (780)-826-1774

Megley



Photo 1: East side of the pit. Waterbody completely backfilled and recontoured. Aerial view (looking east).



Photo 2: Photo taken looking northwest of the backfilling and recontouring of the dugout (2nd waterbody on site).

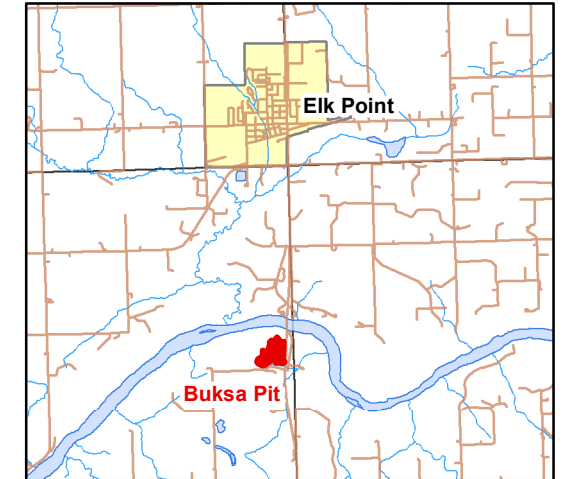


Photo 3: Photo taken looking northeast at the discing completed in the northern section of the pit.



Appendix C: Buksa

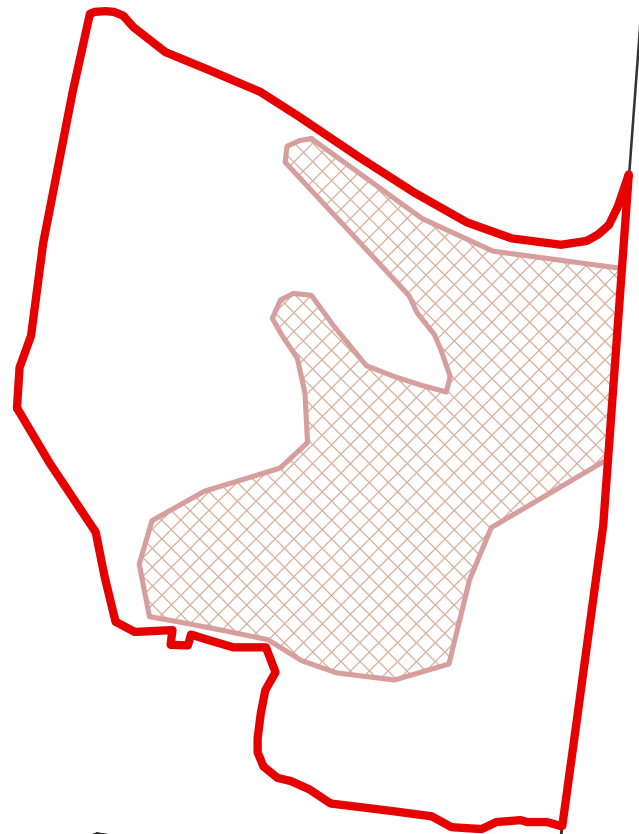
MANTLE MATERIALS
GROUP LTD.
Buksa Pit
Current Conditions

County of St. Paul No. 19
WITHIN:
NE 24 TWP 56 RGE 7 W4M



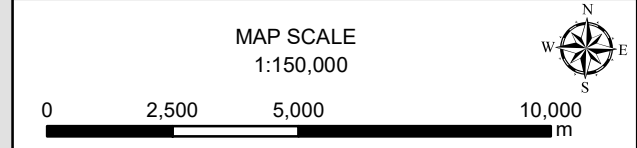
Legend

-  Disturbance Boundary
-  Recontoured Area



24
56-7-W4M

DATE: October 27, 2022	BEARINGS: Decimal Degrees North Azimuth
DRAWN BY: 49 North Geospatial	PROJECTION: NAD83 UTM Zone 12N Units in meters
VERSION: 1.0	DATUM: NAD 1983



Appendix D: SML 060060

MANTLE MATERIALS
GROUP LTD.
SML 060060
Current Conditions

Athabasca County

WITHIN:
SW 13 TWP 65 RGE 18 W4M



SW14
65-18-4

SW13
65-18-4

SW11
65-18-4

SW12
65-18-4

LEGEND

-  Disturbance Boundary
-  Waterbody (Original)
-  Areas Worked 2022
-  Ditch Remediation
-  Erosion_remediation
-  Recontoured Fully
-  Salvaged Soil Area

DATE:
October 27, 2022

BEARINGS:
Decimal Degrees
North Azimuth

DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

VERSION:
1.0

DATUM:
NAD 1983

MAP SCALE
1:4,000

0 65 130 260
m



Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774

SML 060060



Photo 1: Photo taken looking North at the low-lying area where all the buried topsoil and woody debris was salvaged.



Photo 2: Photo taken looking North of the topsoil salvaged from the low lying area.



Photo 3: Photo looking south towards the hill utilized to backfill the waterbody.

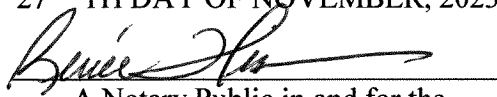


Photo 4: Photo taken looking North of the backfill filling in the waterbody.



Photo 5: Photo taken looking southwest of the interim remediation of the erosion on the back of the south slopes.

THIS IS EXHIBIT "E" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

Summary of Reclamation Work October 2023 Progress Report

EPO	Pit	Outstanding Work	Estimated date of Completion	Comments
EPO-EPEA-35659-01	MacDonald	<p>Complete the remaining of the recontouring activities including disposal of oversize rocks, place topsoil, and seed topsoil with pasture mix (September 1 – October 31)</p> <p>six month monitoring</p> <p>assess soil stability after spring thaw</p> <p>assess pasture vegetation success and survey weeds</p> <p>Apply for reclamation certificate</p>	<p>October 31, 2023</p> <p>May 15 to November 15, 2024</p> <p>May 15, 2025</p> <p>October 1, 2024 and July 1, 2025</p> <p>November 1, 2025</p>	<p>Completed remaining recontouring, including disposal of oversize rocks and placing topsoil</p> <p>Seeding of topsoil to take place after spring thaw 2024</p>
EPO-EPEA-35659-02	Megley	<p>Six month monitoring</p> <p>Assess soil stability</p> <p>Assess crop vegetation and weeds</p> <p>Apply for reclamation certificate</p>	<p>October 1, 2023 to March 30, 2024</p> <p>May 15, 2024 and 2025</p> <p>July 1, 2024 and 2025</p> <p>November 1, 2025</p>	
EPO-EPEA-35659-03	Hoye/Kucy	<p>Six month monitoring</p> <p>Assess soil stability and weeds</p> <p>Address any shortfalls from assessment</p> <p>Apply for reclamation certificate</p>	<p>May 15 to November 15, 2024</p> <p>May 15, 2024 and 2025</p> <p>June 15, 2024 and 2025</p> <p>November 1, 2025</p>	<p>Seeding of topsoil to take place in spring 2024</p>

EPO	Pit	Outstanding Work	Estimated date of Completion	Comments
EPO-EPEA-35659-05	Buska	Six month monitoring Assess soil stability after spring thaw Assess crop vegetation and weeds Address any shortfalls Apply for reclamation certificate	October 1, 2023 to March 30, 2024 May 15, 2024 and 2025 July 1, 2024 and 2025 September 20, 2024 and 2025 November 1, 2025	
EPO-EPEA-35659-06	O'Kane	Application to transfer pit registration and <i>Water Act</i> approval from Mantle to Aarbo Ranching		Application submitted July 4, 2023 and transfer effected September 26, 2023 \$47,847.00 in security posted by Mantle kept by the AEPA to offset alleged debts owing to the Crown by Mantle
EPO-EPEA-35659-07/EO-WA-35659-01	SML 060060	Dewater the waterbody Remediation of recontouring of the constructed waterbody. Complete all remaining reclamation activities; Final fill, final recontouring, final topsoil placement Six month monitoring Assess soil stability, vegetation, weeds Apply for reclamation certificate	October 31, 2023 October 31, 2023 Will be completed by November 15, 2023 Seeding of topsoil and revegetation will take place spring 2024 May 15 to November 15, 2024 May 15, and August 15, 2024; August 15, 2025 September 15, 2025	Delays attributable to the AEPA. Mantle submitted a revised Remedial Plan on January 27, 2023, but approval was not provided by the AEPA until September 14, 2023. A TFA was also issued on September 14, 2023, which allowed Mantle to commence the required dewatering activities.
EPO-EPEA-35659-08	SML930040	Apply for reclamation certificate	November 1, 2023	Completed reclamation assessment in October 2023. The

EPO	Pit	Outstanding Work	Estimated date of Completion	Comments
				site does not meet the criteria at this time for a reclamation certificate. Will revegetate and assess soil stability in spring 2024 and reapply for a reclamation certificate in October 2024
EPO-EPEA-35659-09	SML 980116	Apply for reclamation certificate	November 1, 2023	Completed the reclamation assessment in October 2023 and submitted the application for the Reclamation Certificate
EPO-EPEA-35659-10	SML 120027	Apply for reclamation certificate	November 1, 2023	Completed the reclamation assessment in October 2023 and submitted the application for the Reclamation Certificate

THIS IS EXHIBIT "F" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

Financial statements of
Mantle Materials Group Ltd

December 31, 2022

DRAFT

Independent Auditor's Report	1-3
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8-28

Independent Auditor's Report

To the Directors of
Mantle Materials Group Ltd

Qualified Opinion

We have audited the financial statements of Mantle Materials Group Ltd (the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statements of comprehensive loss, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standard ("IFRS").

Basis for Qualified Opinion

We were not able to satisfy ourselves concerning the quantity of inventories at the beginning of 2022. Since opening inventories affect the determination of the results of operations and cash flows, we were unable to determine whether adjustments to the results of operations and cash flows might be necessary for the year ended December 31, 2022.

We were not able to satisfy ourselves concerning the valuation of mineral properties at the beginning of 2022. As opening mineral properties affect the determination of the results of operations, we were unable to determine whether adjustments to the results of operations might be necessary for the year ended December 31, 2022.

Our audit opinion on the financial statements for the period ended December 31, 2021 was modified accordingly.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Related to Going Concern

We draw your attention to Note 1 in the financial statements which describes the material uncertainties that cast significant doubt as to whether the Company has the ability to continue to operate as a going concern and that the preparation of these financial statements on a going concern basis may not be appropriate. Our opinion is not modified in this respect.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

[DATE]

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Mantle Materials Group Ltd
Statement of financial position
As at December 31, 2022

	Notes	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents		42,241	919,155
Accounts receivable	5	808,733	233,683
Prepaid expenses and deposits		102,968	435,626
Inventories		849,055	438,556
Other current assets		205,867	77,581
Total current assets		2,008,864	2,104,601
Property and equipment	8	1,506,810	1,967,821
Investment in Associate	10	981,643	981,643
Mineral properties	11	—	1,285,928
Right-of-use Asset	8	105,713	247,290
Long-term pre-payments		52,700	40,500
Other non-current assets	9	1,237,582	1,489,542
Total assets		5,893,312	8,117,325
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	424,733	1,236,565
Current portion of lease liabilities	13	66,805	220,236
Current portion of debt	12	9,459,849	523,870
Current portion of accrued site reclamation costs	6	1,768,596	382,122
Total current liabilities		11,719,983	2,362,793
Non-current portion of lease liabilities	13	41,255	42,785
Non-current portion of debt	12	949,989	9,173,003
Non-current portion of accrued site reclamation costs	6	1,523,058	1,874,203
Total liabilities		14,234,285	13,452,784
Shareholders' equity			
Share capital	14	58,888,202	58,645,799
Retained deficit		(67,229,175)	(63,981,258)
		(8,340,973)	(5,335,459)
		5,893,312	8,117,325

The accompanying notes are an integral part of the combined financial statements.

Approved by the Board

_____, Director

_____, Director

Mantle Materials Group Ltd
Statement of comprehensive loss
Year ended December 31, 2022

	Notes	2022 \$	2021 \$
Revenues			
Crushing and supply of aggregates		8,066,423	5,204,699
Other revenue		212,238	98,990
		8,278,661	5,303,689
Cost of sales		(5,713,819)	(4,646,410)
Gross profit		2,564,842	657,279
Operating expenses			
General and administrative	16	(1,405,912)	(3,249,640)
Payroll expenses		(1,207,222)	(1,116,189)
Finance costs	15	(602,212)	(346,566)
Other expenses		—	(531,664)
		(3,215,346)	(5,244,059)
Net loss before other items		(650,504)	(4,586,780)
Other income and expenses	17	(2,597,413)	37,105,991
Net (loss) income before income taxes		(3,247,917)	32,519,211
Income taxes		—	841,562
Net (loss) income and comprehensive (loss) income		(3,247,917)	33,360,773

The accompanying notes are an integral part of the combined financial statements.

Mantle Materials Group Ltd
Statement of changes in equity
Year ended December 31, 2022

	JMB Class A shares \$	JMB Class B shares \$	JMB contributed capital \$	Mantle contributed capital \$	Mantle Class A shares \$	Mantle contributed capital \$	Total share capital \$	Retained deficit \$	Total \$
December 31, 2021	—	—	—	—	58,086,647	559,152	58,645,799	(63,981,258)	(5,335,459)
Capital contributions	—	—	—	—	—	242,403	242,403	—	242,403
Capital contributions	—	—	—	—	—	—	—	—	—
Redemption of class B shares for nil consideration	—	—	—	—	—	—	—	—	—
Conversion of JMB shares into Amalco shares	—	—	—	—	—	—	—	—	—
Conversion of Mantle shares into Amalco shares	—	—	—	—	—	—	—	—	—
Net profit for the year	—	—	—	—	—	—	—	(3,247,917)	(3,247,917)
December 31, 2022	—	—	—	—	58,086,647	801,555	58,888,202	(67,229,175)	(8,340,973)
	JMB Class A shares \$	JMB Class B shares \$	JMB contributed capital \$	Mantle contributed capital \$	Mantle Class A shares \$	Mantle contributed capital \$	Total share capital \$	Retained deficit \$	Total \$
December 31, 2020 (Unaudited)	51,513,165	2,890,198	651,469	46,244	—	—	55,101,076	(100,232,229)	(45,131,153)
Capital contributions	—	—	(311,361)	3,571,131	—	—	3,259,770	—	3,259,770
Capital contributions	—	—	3,100,000	—	—	—	3,100,000	—	3,100,000
Redemption of class B shares for nil consideration	—	(2,890,198)	—	—	—	—	(2,890,198)	2,890,198	—
Conversion of JMB shares into Amalco shares	(51,513,165)	—	(3,440,108)	—	54,469,272	559,152	75,151	—	75,151
Conversion of Mantle shares into Amalco shares	—	—	—	(3,617,375)	3,617,375	—	—	—	—
Net profit for the year	—	—	—	—	—	—	—	33,360,773	33,360,773
December 31, 2021	—	—	—	—	58,086,647	559,152	58,645,799	(63,981,258)	(5,335,459)

The accompanying notes are an integral part of the combined financial statements.

Mantle Materials Group Ltd**Statement of cash flows**

Year ended December 31, 2022

	2022 \$	2021 \$
Operating activities		
Comprehensive (loss) income	(3,247,917)	33,360,773
Adjustments for non-cash items		
Depreciation, depletion, and amortization expense	666,612	611,582
Cancellation of debt	—	(33,590,768)
Share of profit of associates	—	(72,007)
Loss on disposal of assets held for sale	—	143,996
Change in fair value of contingent consideration	—	(1,832,931)
Change in accrued site reclamation costs	1,035,329	(1,292,300)
Impairment of inventory	—	221,495
Impairment of property and equipment	—	24,960
Gain on disposal of property and equipment	(57,564)	(110,407)
Impairment of mineral properties	1,294,981	—
Net impact of items not affecting cash	(308,559)	(2,535,607)
Change in non-cash operating working capital items		
(Increase)/decrease in trade and other receivables	(575,050)	702,990
Decrease in trade and other payables	(811,832)	(12,935,386)
(Increase)/decrease in inventories	(410,499)	100,398
Decrease prepaid expenses and deposits	320,458	2,105,199
Decrease in deferred income	—	(38,900)
Decrease/(increase) in other assets	123,674	(1,015,952)
Decrease/(increase) in taxes (recoverable) payable	—	(841,562)
Net cash provided by operating activities	(1,661,808)	(14,458,820)
Investing activities		
Purchase of property and equipment	(327,868)	(2,249,606)
Spending on mineral properties	—	(68,225)
Spending on reclamation	—	(12,496)
Proceeds from disposal of property and equipment	312,355	4,995,447
Net cash (used in) provided by investing activities	(15,513)	2,665,120
Financing activities		
Proceeds from issuance of share units	—	3,571,130
Proceeds from additional contributed capital	242,403	2,863,791
Proceeds from loans and borrowings	—	5,665,255
Repayment of borrowings	(446,650)	(452,247)
Repayment of convertible debenture	(3,419)	—
Proceeds from convertible debenture	699,335	—
Repayment of lease liabilities	(154,961)	(206,919)
Proceeds from promissory note	463,699	—
Net cash used in financing activities	800,407	11,441,010
Net cash (outflow) inflow	(876,914)	(352,690)
Cash, beginning of year	919,155	1,271,845
Cash, end of year	42,241	919,155

The accompanying notes are an integral part of the combined financial statements.

1. Nature of operations and corporate information

Mantle Materials Group Ltd. (the "Company") is a full-cycle supplier and producer of aggregates in the province of Alberta. Additionally, it owns and operates various gravel mineral rights.

The Company was formed from a restructuring under the Company's Creditors Arrangement Act ("CCAA") of Mantle Materials Group Ltd. ("Mantle"), JMB Crushing Systems Inc. ("JMB") and 2161889 Alberta Ltd. ("216" and together with JMB, the "Applicants"), who became insolvent in early 2020 and commenced proceedings under the CCAA on May 01, 2020.

On April 29, 2021, the restructuring transaction closed allowing Mantle, JMB and 216 to exit the CCAA Proceedings. On May 1, 2021, pursuant to an amalgamation agreement, articles of amalgamation were filed in the province of Alberta to amalgamate JMB Crushing Systems Inc., Mantle Materials Group Ltd., and 2161889 Alberta Ltd., together under the Alberta Business Corporations Act, pursuant to which a certificate of amalgamation was issued confirming that the amalgamated entity was formed under the corporate name "Mantle Materials Group, Ltd."

The Company's head office is located at 61329 Range Road 455, Bonnyville, Alberta, T9N 2H4, Canada. Prior to the restructuring Mantle, JMB and 216 were all under common ownership with the ultimate parent company being Resource Land Holdings V, LLC. The Company's ultimate parent company continues to be Resource Land Holdings V, LLC.

Going concern

At December 31, 2022 the Company has liabilities in excess of assets of \$8,340,973 and current liabilities in excess of current assets of \$9,711,119. For the year ended December 31, 2022 the Company generated a net loss of \$3,247,917, negative cash flows from operating activities of \$1,661,808 and a net cash outflow of \$876,914. The company is currently in negotiations with lenders to secure additional operating and long term debt facilities that will increase the funds available for operations and the overall liquidity position of the Company. The Company also continues to focus on increasing the current level of operations and sales to return the Company to profitability. These facts create a material uncertainty as to the Company's ability to continue operations, and cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to secure additional operating and long term debt facilities and return to profitability the preparation of these financial statements on a going concern basis may not be appropriate. These financial statements do not include adjustments to the recorded assets or liabilities that may be necessary should the Company be unable to continue as a going concern.

2. Basis of presentation

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements were approved by the Company's Board of Directors (the "Directors") on _____.

Basis of measurement

These financial statements have been prepared on the historical cost basis with the exception of certain financial instruments which are measured at fair value.

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Summary of significant accounting policies

(a) Cash and bank indebtedness

Cash includes cash in banks, short-term investments with maturities of three months or less at the date of acquisition and overdrawn bank accounts.

(b) Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is calculated as the estimated selling price in the ordinary course of business less estimated costs required to sell the inventory. Cost is determined by the weighted average method, including direct purchase costs, the associated costs of crushing and hauling and an appropriate portion of direct overhead costs including applicable amortizations and depletion of estimated resource properties. Any write down of inventory is recognized as a charge against income in the period the write down occurs.

(c) Financial instruments

(i) Classification and measurement of financial assets and liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument or non-financial derivative contract.

All financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in net income.

Financial assets are subsequently measured at amortized cost where a financial asset is held within a business model with the objective to collect contractual cash flows and the contractual cash flows arise on specified dates and are payments that consist solely of principal and interest on the principal amount outstanding. All other financial assets and equity investments are subsequently measured at fair value through profit or loss.

Financial liabilities are classified as fair value through profit and loss when the financial liability is held for trading. Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. All other financial liabilities are subsequently measured at amortized cost, except for derivative financial instruments that are not designated in a qualifying hedging relationship, which are measured at fair value at the Combined statement of financial position date. The fair value quote received from the bank counterparty is used as a proxy for the fair value of derivative financial instruments, including any outstanding interest rate swaps.

Net amounts receivable or payable on the interest swaps are recorded on the accrual basis of accounting and are recognized as an adjustment to interest on the long-term debt in the period in which they accrue.

3. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Classification and measurement of financial assets and liabilities (continued)

The Company recognizes and measures existing financial instruments as follows:

<i>Financial instrument</i>	<i>IFRS 9 classification</i>
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Bank Indebtedness	Amortized cost
Borrowings	Amortized cost
Lease liabilities	Amortized cost
Derivative financial instrument	Fair value through profit or loss

(ii) Impairment of financial assets

The Company assesses the expected credit loss for accounts receivable and due from related parties based on historical data adjusted for forward-looking information. The Company recognizes impairment losses for all financial instruments with a corresponding adjustment to their carrying amount through a separate loss allowance account.

(iii) Derecognition of financial assets and liabilities

The Company derecognizes a financial asset only when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all risks and rewards associated with the asset to another party. On derecognition of a financial asset measured at amortized cost, the difference between the carrying amount and the sum of the consideration receivable is recognized in profit or loss.

The Company derecognizes financial liabilities only when all obligations are discharged, cancelled, or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for an extinguishment of the original facility liability and the recognition of new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability, or part of it, as an extinguishment of the original facility liability and the recognition of a new liability. It is assumed that the terms are substantially different if discounted present value of cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss.

3. Summary of significant accounting policies (continued)

(d) *Property and equipment*

Property and equipment are recorded at the historical cost less accumulated amortization and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of self-constructed assets includes materials and direct labour, as well as any other costs directly attributable to bringing the assets to a working condition for their intended use.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are included in the cost of those assets, until such time as the assets are substantially available for their intended use. All other borrowing costs are recognized in net income in the period incurred.

The cost of replacing a component of equipment is recognized in the carrying amount of the asset if it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When a replacement component is recognized, the carrying amount of the corresponding item being replaced is derecognized from the financial statements. Repairs and maintenance expenditures that do not extend the useful life or improve the efficiency of the asset are expensed.

Amortization is based on the estimated useful lives at the following rates and methods:

Class	Method	Rate
Automotive equipment	Declining Balance	25%
Computer hardware	Declining balance	30%
Computer software	Declining balance	30%
Furniture and fixtures	Declining balance	20%
Other equipment	Declining balance	10-30%
Pit development	Units-of-production	Over expected output of pit
Leasehold improvements	Straight line	Lesser of estimate useful life or lease term
Right-of-use assets	Straight line	Lesser of estimate useful life or lease term
Mobile equipment	Declining balance	25%

Useful lives, residual values and depreciation methods are reviewed at the end of each year. The review takes into consideration the nature of the assets, their intended use, historical experience, and technological changes.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in "Other operating income and expenses" in profit or loss.

(e) *Leases as a lessee*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an asset, the Company considers whether the contract provides the use of an identified asset, the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component based on their relative selling prices.

3. Summary of significant accounting policies (continued)

(e) Leases as a lessee (continued)

When the Company enters into a lease as the lessee, it recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the useful life of the right-of-use asset or the end of the lease term. In addition, where applicable, the right-of-use asset is periodically reduced by impairment losses and adjusted for remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be paid under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The total consideration of the contract included in the measurement of the lease liability consists of fixed payments and variable lease payments that depend on an index or rate or amounts expected to be payable under a residual value guarantee. The consideration also includes the exercise price of a purchase option, lease payments in an optional renewal period or penalties for early termination, if the Company is reasonably certain to trigger those additional costs.

When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The total consideration of the contract included in the measurement of the lease liability consists of fixed payments and variable lease payments that depend on an index or rate or amounts expected to be payable under a residual value guarantee. The consideration also includes the exercise price of a purchase option, lease payments in an optional renewal period or penalties for early termination, if the Company is reasonably certain to trigger those additional costs.

When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The Company enters into some leases with renewal options. The Company assesses the options at lease commencement to determine whether it is reasonably certain to exercise the renewal and includes the extension period where there is reasonable certainty that it will be executed. The Company reassesses the renewal options whenever a significant event or change in circumstances would impact the assessment.

The Company applies the practical expedients for leases of low-value assets and short-term leases with terms of 12 months or less. The payments associated with these leases are expensed using the straight-line method. The Company also applies the option for contracts comprising lease and non-lease components to not split these components, except in the case of real estate leases.

3. Summary of significant accounting policies (continued)

(f) Impairment of long-lived assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have an indefinite life, intangible assets that are not yet available for use or goodwill arising from business combinations, the recoverable amount is estimated each year in the fourth quarter.

The recoverable amount of an asset is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of impairment testing, if an asset does not generate cash inflows that are largely independent of the cash inflows from other assets, it is grouped with other assets to create a cash generating unit ("CGU"). A CGU is the smallest identifiable group of assets that can generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For the purposes of goodwill impairment testing, goodwill is allocated to each of the Company's CGUs that are expected to benefit from an acquisition as of the date of the business combination.

An impairment charge is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amount of the other assets in the CGUs on a pro-rata basis.

An impairment recognized in prior periods for an asset or CGU is reversed when there has been a change in the estimates used to determine the recoverable amount since the impairment loss was recognized. When a reversal occurs, the carrying amount of the asset is increased to its recoverable amount, without exceeding the carrying amount that would have been determined (net of depreciation or amortization) had no impairment been recognized. An impairment charge against goodwill cannot be reversed.

(g) Capitalization of borrowing costs

The Company capitalizes borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets as they are being constructed. Other borrowing costs are recognized as an expense in the period in which they are incurred.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, it determines the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the Company's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining qualifying assets.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, it determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

3. Summary of significant accounting policies (continued)

(h) Provisions

In general, provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash

flow estimates are adjusted to reflect risks specific to the liability. Where the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognized as other finance expense. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognized, but are disclosed where an inflow of economic benefits is probable.

(i) Environmental rehabilitation

Liabilities for environment rehabilitation include restoration costs for which the Company has an obligation to dismantle and remove infrastructure and residual materials as well as to restore the disturbed area. Estimated restoration costs are provided for in the accounting period when the obligation arising from the disturbance occurs, whether this occurs during the development or during the production phase, based on the net present value of estimated future costs. The provision for environmental rehabilitation costs is reviewed annually based on management's estimate of future costs updated for known developments which could include changes in timing for closure, a change in legislation or through a decision to terminate operations.

The amount recognized is the present value of the estimated future costs determined in accordance with local conditions and requirements. The amortization or unwinding of the discount applied in establishing the net present value of the provision is recognized in the statement of comprehensive income, included in financing expense. The applicable discount rate will be the risk-free rate for the jurisdiction where the environmental rehabilitation obligation will be settled.

The initial closure provision together with other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates, are capitalized within property, plant and equipment. These costs are then amortized over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each statement of financial position date. Changes in the provision resulting from new disturbance, updated cost estimates and revisions to discount rates are charged to operations.

(j) Revenue recognition

Revenue from the sale of goods or provision of services is recognized when the Company transfers control of the goods to the customer, reflecting the amount of consideration to which the Company expects to be entitled in exchange for those goods. Control transfers to the customer on the provision of the service or on delivery of the product.

3. Summary of significant accounting policies (continued)

(k) Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in equity or other comprehensive Income.

Current income taxes is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Future income taxes is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Future tax liabilities are generally recognized for all taxable temporary differences.

Future tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unused tax losses and unused tax credits can be utilized.

Future income taxes is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Future tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. The financial statements include corporate income taxes payable by the amalgamated entities, which are accounted for using the future income taxes method. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of future tax assets and liabilities of a change in tax rates is recognized in the profit or loss in the period that includes the enactment or substantive enactment date.

(l) Foreign currency translation

Transactions denominated in a foreign currency are translated into Canadian dollars at a rate of exchange in effect at the time of such transactions. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the Combined statement of financial position date. The resulting gains and losses are included in earnings. Non-monetary items are translated at the historical exchange rate.

(m) Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make estimates and judgments that affect the amounts reported and accompanying note disclosures. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated by management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Summary of significant accounting policies (continued)

(m) Use of estimates and judgements (continued)

Significant estimates and judgments made by management in the preparation of the financial statements are outlined below:

(i) Depreciation and amortization

Determining the carrying value of non-financial assets requires the Company to assess the expected useful lives, residual values, and depreciation methods of each asset. Estimates of useful lives, residual values and depreciation methods are reviewed annual and adjusted prospectively, if needed.

Changes to estimates, which could be significant, could be caused by a variety of factors, including changes to the physical life of the assets or changes in the nature of the utilization of the assets. A change in any of the estimates would result in a change in the amount of depreciation or amortization and, as a result, a change to net income recorded in the period in which the change occurs.

(ii) Carrying amount of financial assets

Accounts receivable are initially recorded at fair value and then are subsequently carried at amortized cost using the effective interest rate method, less provisions for impairment. Provisions for impairment are made using the simplified approach based on lifetime expected credit losses. The carrying amount of accounts receivable is therefore dependent on management's estimate of the probability of non-payment and the expected loss arising from such a default.

(iii) Impairment of non-financial assets

Management applies judgment in assessing whether there are any indicators of impairment at each reporting date that would require a full impairment test to be performed. Impairment indicators include, but are not limited to, a significant decline in an asset's market value, significant adverse changes in the technological, market, economic or legal environment in which assets are operated, planned use of an asset or ongoing underperformance of an asset. Application of these factors to the facts and circumstances of a particular asset requires a significant amount of judgment. Should an impairment test be required, the determination of the magnitude of impairment involves the use of estimates, assumptions and judgments on highly uncertain matters particularly with respect to estimating the recoverable amount of a CGU or a group of CGUs. Such estimates, assumption and judgments include, but are not limited to the choice of discount rates that reflect appropriate asset-specific risks, timing of revenue and customer turnover, inflation factors for projected costs and the level of capital expenditures required in future periods to maintain operations.

3. Summary of significant accounting policies (continued)

(m) Use of estimates and judgements (continued)

(iv) Mineral properties

Reserve estimates are important in determining the commercial viability of a site, depletion amounts charged to the cost of sales and the extent of any asset impairment. There are numerous uncertainties inherent in estimating quantities of proven and probable mineral reserves and associated cash flows that are beyond management's control.

Estimated future net cash flow from the Company's mineral properties is based on reserve estimates determined in conjunction with qualified persons. These estimates include a number of assumptions relating to factors such as production rates, grade or quality of the mineral reserve, and processing recovery rates, which are subject to change. Reserve estimates may also be subject to regulatory changes. As such, the life or profitability of future operations cannot be assured.

Mineral properties are amortized using a units-of-production basis which involves the estimation of recoverable reserves that are assessed annually.

(v) Environmental rehabilitation

The Enterprise's operations are subject to environmental regulations in Canada. Future obligations are estimated based on costs which may not be incurred for several years or decades taking into consideration expected closure plans, environmental impacts, technological changes, regulatory changes, inflation, discount rates and internal and external studies. The environmental rehabilitation provision is measured by discounting the expected cash flows at current interest rates. The actual rate depends on a number of factors, including the timing of cash flows and the location of the property.

(vi) Inventories

Inventories are valued at the lower of average cost and net realizable value. Net realizable value is based on management's estimate of market prices and timing of sales, which could vary significantly from actual value realized.

(vii) Discount rate for the measurement of lease liabilities

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the implicit interest rate in the lease. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used. The Company estimates the incremental borrowing rate based on the economic environment, the nature and quality of the asset, the Company's credit rating and other factors.

3. Summary of significant accounting policies (continued)

(m) Use of estimates and judgements (continued)

(viii) Investment in associates

Investments in significantly-influenced entities are recorded using the equity method. Under the equity method, the investments are initially recorded at cost and the carrying value is adjusted thereafter to include the Company's allocation of income or loss from the entity. The Company's investment account is also increased or decreased to reflect its share of capital transactions and changes in accounting policies and corrections of errors relating to prior-period financial statements applicable to post acquisition periods. Profit distributions received from an investee reduce the carrying value of the investment.

The Company recognizes in earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the investee. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously-recognized impairment loss is reversed in earnings in the period the reversal occurs.

(n) Government assistance

Government grants are recognized as receivables when there is reasonable assurance that the Company will comply with the conditions needing to be met. Government grants are recognized in the combined statement of comprehensive income where the Company has incurred the related costs for which the grants are intended to compensate and are recorded as a reduction of such expenses. Included in payroll in the combined statement of comprehensive income is \$313,940 (\$414,171 in 2021) of government grants related to the Hardest Hit Business Recovery Program ("HHBRP"), and Canada Recovery Hiring Program ("CHRP").

4. Future accounting pronouncements not yet in effect

Management has reviewed new and amended accounting standards relevant to the Company's operations that are not yet effective for the period ended December 31, 2022.

(a) IFRS 17, Insurance Contracts (effective January 1, 2023) replaces IFRS 4, Insurance Contracts

Establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts. Management expects that adoption of this standard will not impact the Company's financial statements.

(b) Amendments to IAS 1: Presentation of Financial Statements (effective January 1, 2023)

The amendment requires entities to disclose their material accounting policy information rather than significant accounting policy information. The amendments provide guidance on how an entity can identify material accounting policy information and clarify that information may be material because of its nature, even if the related amounts are immaterial. Management reviewed the Company's accounting policies and believes no changes will be required to the disclosure of accounting policy information for the December 31, 2023 annual financial statements.

4. Future accounting pronouncements not yet in effect (continued)

(c) Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors (effective January 1, 2023)

The amendments introduce a definition of 'accounting estimates' and clarify the difference between changes in accounting policies and changes in accounting estimates. These amendments will impact changes in accounting policies and changes in accounting estimates made after these amendments are adopted by the Company.

(d) Amendments to IAS 12, Income Taxes (effective January 1, 2023)

The amendments clarify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of the related asset and liability. The Company is currently evaluating the potential impact of these amendments on the Company's financial statements.

(e) Amendments to IAS 1, Presentation of Financial Statements (effective January 1, 2024)

The amendments clarify the classification of liabilities as current or non-current based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer or accelerate settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. Management is currently assessing the impact of these amendments. The amendments also clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. In addition, the amendments require a company to disclose information about these covenants in the notes to the financial statements. Management is currently assessing the impact of these amendments.

(f) Amendments to IFRS 16, Leases (effective January 1, 2024)

The amendments explain how an entity accounts for a sale and leaseback after the transaction date. The amendments clarify how a seller-lessee should subsequently measure lease liabilities and when it is appropriate to record a gain or loss on these transactions. The amendments apply to all sale and leaseback transactions entered since the effective date of IFRS 16 (January 1, 2019) and the effective date of this amendment. Management will consider these amendments in the accounting treatment of future sale and leaseback transactions.

5. Accounts receivable

The following table summarizes the aging of accounts receivable:

	2022	2021
	\$	\$
<30 days outstanding	160,590	123,348
61-90 days outstanding	408,685	81,281
> 90 days outstanding	239,458	29,054
Total accounts receivable	808,733	233,683

6. Accrued site reclamation costs

	2022	2021
	\$	\$
Decommissioning liability – beginning of the year	2,256,325	3,561,122
Liabilities acquired	1,587,148	223,193
Liabilities settled	(551,819)	(174,065)
Transfer of liabilities	–	(1,353,925)
Decommissioning liability – end of the year	3,291,654	2,256,325
Non-current decommissioning liability	1,523,058	1,874,203
Current decommissioning liability	1,768,596	382,122

The Company has estimated that it will require approximately \$3,627,967 (\$2,256,326 in 2021) in undiscounted cash flows to settle these obligations, with \$1,768,596 (\$382,122 in 2021) payable within the next twelve months.

Environmental rehabilitation is a normal consequence of mineral extraction and the majority of environmental rehabilitation expenditure is incurred after closure.

Although the ultimate cost to be incurred is uncertain, the Company estimates the cost based on external pricing quotes and rates set out by local authorities for reclamation security deposits. Environmental rehabilitation obligations are adjusted periodically to reflect the results of on-going monitoring as well as evolving environmental requirements and mitigating activities.

Where the reclamation activities will not be incurred in the near term, the expected future cash outflows are discounted back using current interest rates.

7. Accounts payable and accrued liabilities

	2022	2021
	\$	\$
Accounts payable	330,875	958,566
Wages payable	39,746	35,868
Accrued liabilities	54,112	242,131
Income tax payable	–	–
Government remittances payable	–	–
	424,733	1,236,565

8. Property and equipment

	Land	Vehicles	Leasehold improvements	Furniture and Fixture	Equipment	Computer hardware	Equipment under capital lease	Computer software	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
As at January 1, 2021	250,000	—	38,343	110,057	—	149,320	—	—	547,720
Additions	—	177,246	—	3,244	2,054,704	—	—	14,412	2,249,606
Disposals	(250,000)	—	(38,343)	—	—	—	—	—	(288,343)
As at December 31, 2021	—	177,246	—	113,301	2,054,704	149,320	—	14,412	2,508,983
Additions	—	18,717	—	—	213,621	—	—	3,621	235,959
Disposals	—	(156,967)	—	—	(134,550)	—	—	—	(291,517)
As at December 31, 2022	—	38,996	—	113,301	2,133,775	149,320	—	18,033	2,453,425
Accumulated depreciation									
As at January 1, 2021	80,000	—	—	72,679	—	116,035	—	—	268,714
Depreciation	—	8,030	—	83,269	305,140	40,078	—	2,420	438,937
Disposals	(80,000)	—	—	(53,832)	—	(32,657)	—	—	(166,489)
As at December 31, 2021	—	8,030	—	102,116	305,140	123,456	—	2,420	541,162
Depreciation	—	17,121	—	1,551	415,064	5,278	—	3,165	442,179
Disposals	—	(15,781)	—	—	(20,945)	—	—	—	(36,726)
As at December 31, 2022	—	9,370	—	103,667	699,259	128,734	—	5,585	946,615
Carrying value									
As at December 31, 2021	—	169,216	—	11,185	1,749,564	25,864	—	11,992	1,967,821
As at December 31, 2022	—	29,626	—	9,634	1,434,516	20,586	—	12,448	1,506,810

8. Property and equipment (continued)

The right of use assets carried as non-current assets resulting from leases are presented separately in the following table:

	Building \$	Equipment \$	Vehicles \$	Total \$
Cost				
As at December 31, 2021	593,320	12,000	29,494	634,814
As at December 31, 2022	593,320	12,000	112,357	717,677
Aggregate Depreciation				
As at December 31, 2021	362,584	2,000	22,940	387,524
As at December 31, 2022	560,358	6,000	45,606	611,964
Net carrying amount				
As at December 31, 2021	230,736	10,000	6,554	247,290
As at December 31, 2022	32,962	6,000	66,751	105,713

9. Other non-current assets

	2022	2021
	\$	\$
Reclamation Security	1,047,582	844,096
Reclamation Trust	—	455,446
Other obligations held in trust	190,000	190,000
	1,237,582	1,489,542

Other assets relate to restricted funds of the Company held as security for reclamation expenses and other obligations held in trust.

10. Investments in associates

As at December 31, 2022, the Company held 7,820,077 shares (7,820,077 in 2021) (31.7%) (31.7% in 2021) of Atlas Aggregates Inc. ("Atlas") which has mineral property reserves and operates as a natural resources company. The Company accounts for its investment in Atlas as an investment in associate using the equity method of accounting.

11. Mineral properties

	\$
Cost	
As at January 1, 2021	1,217,703
Additions	80,770
Disposals	—
As at December 31, 2021	1,298,473
Additions	—
Disposals	(3,492)
Impairment	(1,294,981)
As at December 31, 2022	—
Accumulated depreciation	
As at January 1, 2021	—
Depreciation	12,545
Disposals	—
As at December 31, 2021	12,545
Depreciation	6,082
Disposals	(18,627)
As at December 31, 2022	—
Carrying value	
As at December 31, 2021	1,285,928
As at December 31, 2022	—

During the year the Company determined that due to market conditions the carrying amount of mineral properties was not recoverable and recorded an impairment of \$1,294,981 which is included in other income and expenses.

12. Debt

	2022	2021
	\$	\$
Travelers Restructuring Capital	1,160,130	1,605,917
Pathward, National Association	463,699	—
RLF Canada Lenders Limited	695,916	—
Fiera Private Debt Tranche A	3,711,182	3,565,554
Fiera Private Debt Tranche B	4,215,596	4,289,355
Fiera Private Debt Tranche D	114,666	150,000
CAFO Financing	31,707	49,914
ATB	16,942	36,113
Total borrowings	10,409,838	9,696,853
Current portion of borrowings	9,459,849	523,870
Non-current portion of borrowings	949,989	9,172,983

	2022	2021
	\$	\$
Maturity analysis of debt		
One year	9,459,849	523,870
Two years	949,989	901,830
Three years	—	1,790,018
Four years	—	898,993
Five or more years	—	5,582,162
Total borrowings	10,409,838	9,696,873

Travelers Restructuring Capital

The loan bears interest at 11.5%, is due October 15, 2024, is repayable in blended monthly installments of \$40,567 and is secured by equipment with a net book value of \$1,434,516.

Pathward, National Association

The loan amount may not exceed the lesser of \$1,500,000 and 85% of eligible accounts receivable, and the Company must maintain a minimum loan balance of \$350,000, bears interest at prime plus 4.55% with a minimum effective rate of 7%, is due on demand and is secured by 85% of eligible accounts receivable.

RLF Canada Lender Limited

On October 19, 2022 the Company entered into an agreement with RLF Canada Lender Limited, a company related due to common shareholders, to issue secured convertible debentures up to a maximum of \$1,000,000. The debentures bear interest at 7% per annum, are due August 26, 2029, are repayable in blended monthly installments commencing July 15, 2023 based on the amount outstanding at that time, with the right to convert the indebtedness, or any part thereof, into class A common shares of the Company at any time. The conversion price will be the current market price of the common shares of the Company on the date of the conversion. As such, the full amount of the secured convertible debentures has been recorded as a liability. The debentures are secured by a first charge on all remaining assets of the Company to a maximum of \$1,000,000 subordinate to the security held by Travelers Restructuring Capital and Pathward, National Association.

Subsequent to year end, on June 12, 2023, the Company amended the agreement with RLF Canada Lender Limited to increase the maximum amount of debentures and the related security to \$2,250,000.

12. Debt (continued)

Fiera Private Debt Tranche A

The loan bears interest at 7% and is due April 26, 2029. Repayment has been deferred until July 15, 2023 after which the loan is repayable in blended monthly installments based on the amount outstanding at that time. Payment-in-kind interest of 9% is accruing until July 14, 2023.

Fiera Private Debt Tranche B

The loan is non-interest bearing, is due April 26, 2029, and is repayable monthly based on \$1 per tonne of aggregate sold, with an annual increase in the rate of 2%. On October 19, 2022 the agreement with Fiera Private Debt was amended. As a result the loan became convertible at any time into class A common shares of the Company. The conversion price will be the total shareholder capital contributed divided by the number of issued and outstanding common shares of the Company on a fully diluted basis at the date of the conversion. Based on the current estimated fair value of the Company's shares, no amount has been recorded as equity, and the full amount of the loan has been recorded as a liability.

Fiera Private Debt Tranche D

The loan bears interest at 7% and is due October 15, 2023. Repayment has been deferred until the maturity date and payment-in-kind interest of 9% is accruing until the loan is repaid.

The Fiera Private Debt loans are secured by the remaining assets of the Company subordinate to the security held by Travelers Restructuring Capital, Pathward, National Association and RLF Canada Lender Limited.

The agreement with Fiera Private Debt includes certain financial covenants. At December 31, 2022 the Company was not in compliance with these covenants. As such, all of the Fiera Private Debt has been classified as current on the statement of financial position.

Subsequent to year end, on June 12, 2023 the Company amended the agreement with Fiera Private Debt as follows:

- Repayment of the Tranche B loan was amended to include additional amounts of \$0.50 per tonne of aggregate sold in excess of 250,000 tonnes, and \$0.50 and 50% of incremental EBIT generated on aggregate sold in excess of 310,000 tonnes.
- The financial covenants were amended such that the Company is no longer non-compliant. The new financial covenants take effect as at and for the rolling four quarter period ending June 30, 2023.

CAFO Financing

The loans bear interest between 7.65% and 16.94% and are due between March 6, 2023 and October 4, 2023.

ATB

The loan bears interest at prime plus 6.2% and is due on demand.

13. Leases

The Company leases a shop and items of equipment with the following contractual cash flows:

	2022	2021
	\$	\$
Less than one year	66,805	220,236
One to five years	41,255	42,785
Total undiscounted contractual cash outflows	108,060	263,021
Current	66,805	220,236
Non-current	41,255	42,785
Total lease liabilities	108,060	263,021

Interest expense of \$14,294 (\$26,079 in 2021) and total cash outflows of \$154,961 (\$206,920 in 2021) were recognized relating to lease liabilities for the fiscal year ended December 31, 2022.

14. Share capital

Share capital consists of 58,086.6477 issued class A common voting shares (2021 - 58,086.6477). During the year, \$242,403 (2021 - \$559,152) was further contributed as a capital contribution.

15. Finance costs

	2022	2021
	\$	\$
Interest on debt facilities	453,988	222,775
Interest on lease liabilities	14,294	26,079
Total interest expense on leases, current and long-term debt	468,282	248,854
Other	133,930	97,712
Total finance costs	602,212	346,566

16. General and administrative costs

	2022	2021
	\$	\$
Rental	7,749	167,513
Travel and entertainment	—	14,288
Office and miscellaneous	687,276	1,038,629
Professional fees	233,798	1,382,120
Advertising and promotion	8,250	15,942
Other insurance and service charges	—	67,988
Depreciation	468,839	219,764
Bad debts	—	343,397
Total general and administrative costs	1,405,912	3,249,640

17. Other income and expenses

	2022	2021
	\$	\$
Impairment of mineral properties	(1,294,981)	(1)
Impairment of property and equipment	—	(24,960)
Cancellation of debts and lease obligation	—	33,590,768
Gain on disposal of property and equipment	57,564	110,407
Loss on disposal of assets held for sale	—	(143,996)
Change in accrued site reclamation costs	(1,587,148)	1,292,300
(Loss) gain on fair value of borrowings	(123,421)	1,832,931
Other income	350,573	448,543
Total other income and expenses	(2,597,413)	37,105,992

18. Financial risk management

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The Company's classification of its' financial instruments is as below:

Classification of financial instruments

	2022	2021
	\$	\$
Financial assets		
Recorded at amortized cost		
Cash	42,241	919,155
Accounts receivable	808,733	233,683
Prepaid expenses and deposits	102,968	435,626
Other non-current assets	1,237,582	1,489,542
	2,191,524	3,078,006
Financial liabilities		
Recorded at amortized cost		
Debt	10,409,838	9,696,873
Accounts payable and accrued liabilities	424,733	1,236,565
Accrued site reclamation costs	3,627,967	2,256,325
Promissory note	463,699	—
Lease liabilities	108,060	263,021
	15,034,297	13,452,784

Credit risk

The Company is exposed to credit risk through accounts receivable. The Company carries out, on a continuing basis, credit checks on its customers and maintains provisions for potential credit losses.

At December 31, 2022, accounts receivable greater than 90 days is \$239,548 (\$29,054 in 2021).

18. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on time at a reasonable cost. The Company is primarily exposed to liquidity risk from the accounts payable and accrued liabilities, current portion of debt and other general working capital requirements, which are primarily funded by receivables and operations. Significant liabilities of the Company include the debt, accounts payable and accrued liabilities.

The Company has the following undiscounted contractual maturities coming due:

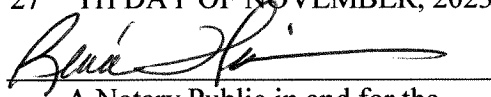
	Carrying amount	Less than 1 year	1 to 3 years	More than three years	Total
	\$	\$	\$	\$	\$
As at December 31, 2022					
Debt	10,409,838	1,704,077	2,251,386	6,454,375	10,409,838
Leases	108,060	66,805	41,255	—	108,060
Accounts payable and accrued liabilities	424,733	424,733	—	—	424,733
	10,942,631	2,195,615	2,292,641	6,454,375	10,942,631
	Carrying amount	Less than 1 year	1 to 3 years	More than three years	Total
	\$	\$	\$	\$	\$
As at December 31, 2021					
Debt	9,696,873	483,494	2,691,848	6,521,531	9,696,873
Leases	263,021	220,236	42,785	—	263,021
Accounts payable and accrued liabilities	1,236,565	1,236,565	—	—	1,236,565
	11,196,459	1,940,295	2,734,633	6,521,531	11,196,459

Interest rate risk

The debt as disclosed in Note 12 require interest payment that are subject to both fixed and floating rates.

If interest rates increased or decreased by 1%, the Company's net income for the twelve months ending December 31, 2022 would be significantly impacted.

THIS IS EXHIBIT "G" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

INTERNAL FLASH FINANCIAL REPORT

June 2023



MANTLE

MATERIALS GROUP

Prepared for ATB

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These financial statements are internally prepared and have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

INCOME STATEMENT

	<u>Month-to-Date</u>	<u>Year-to-Date</u>
Revenue	331,319	1,100,843
Cost of Sales		
<i>Direct Cost of Sales</i>	71,867	510,991
<i>Gross Margin % - Direct Cost</i>		
<i>InDirect Cost of Sales</i>	35,740	254,249
Total Cost of Sales	107,607	765,239
Gross Profit	223,712	335,603
General & Administrative	136,851	923,652
Operating Income	86,862	(588,049)
Other Expenses		
Other Income	-	(20,103)
Interest	62,623	339,985
Fees	6,784	36,556
Loss(Gain) On Disposal Of Asset	(26,000)	(21,824)
Loss(Gain) On FV Change of Contingent Consideration	5,231	5,558
Loss(Gain) On Disposal Of ARO	-	282,908
Tax Expense	-	-
Total Other Expenses	48,638	623,081
Net Income	38,223	(1,211,131)

BALANCE SHEET

Period End 30-Jun-23

<u>Current Assets</u>		<u>Current Liabilities</u>	
Cash	129,809	Accounts Payable	687,358
Accounts Receivable	688,331	Accrued Liabilities	109,754
Other Receivable	73,274	Crestmark LOC	481,173
Prepaid Expenses & Deposits	131,967	Wages Payable	19,279
Assets Held for Sale	-	Vacation Payable	33,563
Tax Receivable	-	Tax Payable	7,647
Contract Asset	-	Current Portion of LTD	1,374,924
Work In Process	16,541	CPLTD Under Lease Obligation	31,805
Gravel Inventory - ATB	60,612	Total Current Liabilities	2,745,503
Gravel Inventory	1,345,695		
Parts Inventory	-	<u>Long Term Liabilities</u>	
Total Current Assets	2,446,227	Accrued Reclamation Obligation	3,666,893
		Future Income Tax	-
		Due to Related Party	-
<u>Fixed Assets</u>		<u>Long Term Debt</u>	
Property, Plant & Equipment	2,149,859	Fiera Tranche A	4,029,840
Accumulated Depreciation - Property, Plant & Equip	(796,125)	Fiera Tranche D	119,907
Total Property, Plant & Equipment	1,353,734	Fiera - Finance Fees (Contra)	(226,210)
		ATB Mortgage	-
Right of Use Asset	717,677	Travellers	1,065,475
Accumulated Depreciation - Right of Use Asset	(660,737)	Travellers - Finance Fees (Contra)	(43,078)
Total Right of Use Asset	56,940	Crestmark - Finance Fees (Contra)	(6,803)
		RLF Lender	1,774,191
Total Fixed Assets	1,410,674	Other Long Term Debt	50,976
		Current Portion of Long Term Debt (Contra)	(1,374,924)
<u>Intangible Assets</u>		Total Long Term Debt	5,389,373
Customer contracts	-		
Total Intangible Assets	-	<u>Long Term Debt Under Lease Obligation</u>	
		Equipment Leases	52,056
<u>Other Assets</u>		Property Leases	-
Mineral Properties	1,296,248	Current Portion of Lease Obligation (Contra)	(31,805)
Reclamation Security	1,090,846	Total Long Term Debt Under Lease Obligation	20,250
Reclamation Trust	-		
Severance Trust	190,000	<u>Contingent Consideration</u>	
Investment	981,643	Fiera Tranche B	4,213,065
Due From JMB Estate	-	Fiera Tranche C	-
Deferred Tax Asset	-	ATB Inventory Facility	11,188
Long Term Prepaid Expenses & Deposits	37,200	Total Contingent Consideration	4,224,253
Capitalized Financing Fee	-		
Total Other Assets	3,595,937	Total Long Term Liabilities	13,300,769
TOTAL ASSETS	7,452,838	TOTAL LIABILITIES	16,046,272
		<u>Shareholders Equity</u>	
		Share Capital	58,888,202
		Beginning Retained Earnings	(66,270,505)
		Current Earnings	(1,211,131)
		Dividends Paid	-
		Total Shareholders Equity	(8,593,434)
		TOTAL LIABILITIES & SHAREHOLDERS EQUITY	7,452,838

STATEMENT OF CASH FLOWS

Period End 30-Jun-23

<u>Statement of Cash Flow</u>	<u>Month-to-Date Year-To-Date</u>	
Beginning Cash Balance	1,564	42,241
<i>Cash from operating activities:</i>		
Net Income	38,223	(1,211,131)
Depreciation	7,746	189,174
Change in Accounts Receivable	(77,646)	236,454
Change in Accounts Payable	62,072	426,452
Change in Gravel Inventory	(158,487)	(557,251)
Change in Work In Process	-	-
Change in Parts Inventory	-	-
Change in Tax Payable	(17,903)	6,420
Change in Other Current Assets	(121,074)	(33,338)
	<u>(267,068)</u>	<u>(943,220)</u>
<i>Cash from investing activities:</i>		
Change in PP&E	52,161	12,675
Change In Investment	-	-
Change in Other Long Term Assets	5,500	14,233
	<u>57,661</u>	<u>26,908</u>
<i>Cash from financing activities:</i>		
Change In Revolver	187,072	6,590
Change in Long Term Debt	160,101	1,026,583
Change in Lease Obligation	(3,549)	(21,007)
Change in Contingent Consideration	(5,971)	(8,285)
Change in Amounts to Due to Shareholder	-	-
Change in Amounts to Due to Related Party	-	-
Change in Equity	-	-
Change in Dividends	-	-
	<u>337,653</u>	<u>1,003,880</u>
Ending Cash Balance	129,809	129,809

INTERNAL FLASH FINANCIAL REPORT

June 2023



MANTLE

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These financial statements are internally prepared and have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

INCOME STATEMENT
Period End 30-Jun-23

	<u>Month-to-Date Year-to-Date</u>	
	<u>Actual</u>	<u>Actual</u>
Revenue	331,319	1,100,843
Cost of Sales	107,607	765,239
Gross Profit	223,712	335,603
<i>Gross Margin %</i>	68%	30%
General & Administrative	136,851	923,652
Operating Income	86,862	(588,049)
Other Expenses		
Other Income	-	(20,103)
Interest	62,623	339,985
Fees	6,784	36,556
Loss(Gain) On Disposal Of Asset	(26,000)	(21,824)
Loss(Gain) On FV Change of Contingent Consideration	5,231	5,558
Loss(Gain) On Disposal Of ARO	-	282,908
Tax Expense	-	-
Total Other Expenses	48,638	623,081
Net Income	38,223	(1,211,131)
<u>EBITDA</u>		
(+) Depreciation & Amortization	29,315	210,743
(+) Total Other Expenses	48,638	623,081
Total Add Back	77,953	833,824
EBITDA	116,176	(377,307)
ADJUSTED EBITDA	116,176	(348,307)

BALANCE SHEET & COVENANTS

Period End 30-Jun-23

<u>Current Assets</u>		<u>Current Liabilities</u>	
Cash	129,809	Accounts Payable	687,358
Accounts Receivable	688,331	Accrued Liabilities	109,754
Other Receivable	73,274	Crestmark LOC	481,173
Prepaid Expenses & Deposits	131,967	Wages Payable	19,279
Assets Held for Sale	-	Vacation Payable	33,563
Tax Receivable	-	Tax Payable	7,647
Contract Asset	-	Current Portion of LTD	1,374,924
Work In Process	16,541	CPLTD Under Lease Obligation	31,805
Gravel Inventory - ATB	60,612	Total Current Liabilities	2,745,503
Gravel Inventory	1,345,695		
Parts Inventory	-	<u>Long Term Liabilities</u>	
Total Current Assets	2,446,227	Accrued Reclamation Obligation	3,666,893
		Future Income Tax	-
<u>Fixed Assets</u>		Due to Related Party	-
Property, Plant & Equipment	2,149,859	<u>Long Term Debt</u>	
Accumulated Depreciation - Property, Plant & Equi	(796,125)	Fiera Tranche A	4,029,840
Total Property, Plant & Equipment	1,353,734	Fiera Tranche D	119,907
		Fiera - Finance Fees (Contra)	(226,210)
Right of Use Asset	717,677	ATB Mortgage	-
Accumulated Depreciation - Right of Use Asset	(660,737)	Travellers	1,065,475
Total Right of Use Asset	56,940	Travellers - Finance Fees (Contra)	(43,078)
Total Fixed Assets	1,410,674	Crestmark - Finance Fees (Contra)	(6,803)
		RLF Lender	1,774,191
<u>Other Assets</u>		Other Long Term Debt	50,976
Mineral Properties	1,296,248	Current Portion of Long Term Debt (Contra)	(1,374,924)
Reclamation Security	1,090,846	Total Long Term Debt	5,389,373
Reclamation Trust	-	<u>Long Term Debt Under Lease Obligation</u>	
Severance Trust	190,000	Equipment Leases	52,056
Investment	981,643	Property Leases	-
Due From JMB Estate	-	Current Portion of Lease Obligation (Contra)	(31,805)
Deferred Tax Asset	-	Total Long Term Debt Under Lease Obligation	20,250
Long Term Prepaid Expenses & Deposits	37,200	<u>Contingent Consideration</u>	
Capitalized Financing Fee	-	Fiera Tranche B	4,213,065
Total Other Assets	3,595,937	Fiera Tranche C	-
		ATB Inventory Facility	11,188
TOTAL ASSETS	7,452,838	Total Contingent Consideration	4,224,253
		Total Long Term Liabilities	13,300,769
		TOTAL LIABILITIES	16,046,272
		<u>Shareholders Equity</u>	
		Share Capital	58,888,202
		Beginning Retained Earnings	(66,270,505)
		Current Earnings	(1,211,131)
		Dividends Paid	-
		Total Shareholders Equity	(8,593,434)
		TOTAL LIABILITES & EQUITY	7,452,838

STATEMENT OF CASH FLOWS

Period End 30-Jun-23

<u>Statement of Cash Flow</u>	<u>Month-to-Date Year-to-Date</u>	
Beginning Cash Balance	1,564	42,241
<i>Cash from operating activities:</i>		
Net Income	38,223	(1,211,131)
Depreciation	7,746	189,174
Change in Accounts Receivable	(77,646)	236,454
Change in Accounts Payable	62,072	426,452
Change in Gravel Inventory	(158,487)	(557,251)
Change in Work In Process	-	-
Change in Parts Inventory	-	-
Change in Tax Payable	(17,903)	6,420
Change in Other Current Assets	(121,074)	(33,338)
	(267,068)	(943,220)
<i>Cash from investing activities:</i>		
Change in PP&E	52,161	12,675
Change In Investment	-	-
Change in Other Long Term Assets	5,500	14,233
	57,661	26,908
<i>Cash from financing activities:</i>		
Change In Revolver	187,072	6,590
Change in Long Term Debt	160,101	1,026,583
Change in Lease Obligation	(3,549)	(21,007)
Change in Contingent Consideration	(5,971)	(8,285)
Change in Amounts to Due to Shareholder	-	-
Change in Amounts to Due to Related Party	-	-
Change in Equity	-	-
Change in Dividends	-	-
	337,653	1,003,880
Ending Cash Balance	129,809	129,809

LAST TWELVE MONTHS ("LTM") - INCOME STATEMENT
Period End 30-Jun-23

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	LTM
Revenue	939,143	233,762	546,579	775,113	546,140	218,053	13,454	86,940	238,707	44,339	386,084	331,319	4,359,632
Cost of Sales	645,738	179,059	379,482	578,709	316,046	131,182	49,378	110,900	250,268	51,896	195,190	107,607	2,995,455
Gross Profit	293,405	54,703	167,097	196,403	230,094	86,871	(35,924)	(23,960)	(11,561)	(7,557)	190,893	223,712	1,364,177
<i>Gross Margin %</i>	31%	23%	31%	25%	42%	40%					49%	68%	31%
General & Administrative	144,895	123,712	190,438	170,513	187,773	183,299	157,331	140,671	151,766	158,586	178,448	136,851	1,924,282
Total Operating Income	148,510	(69,009)	(23,341)	25,890	42,322	(96,428)	(193,255)	(164,631)	(163,327)	(166,143)	12,445	86,862	(560,105)
Other Expenses													
Other Income	-	(242,845)	(39,430)	(46,746)	(8,328)	(13,224)	-	-	(9,359)	(10,744)	-	-	(370,676)
Interest	39,625	40,997	38,554	43,567	45,388	63,813	55,511	48,276	56,575	55,927	61,073	62,623	611,929
Fees	34,861	4,045	4,045	5,188	5,427	9,022	5,427	6,087	6,087	6,087	6,087	6,784	99,144
Loss(Gain) On Disposal Of Asset	(15,659)	-	-	1,943	198	-	-	-	-	4,176	-	(26,000)	(35,342)
Loss(Gain) On FV Change of Cont. Cons.	106	275	103	95	99	152	32	294	0	12	(10)	5,231	6,388
Loss(Gain) On Disposal Of ARO	-	-	-	-	-	1,923,461	282,908	-	-	-	-	-	2,206,369
Tax Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expenses	58,933	(197,528)	3,272	4,048	42,782	1,983,224	343,877	54,657	53,303	55,456	67,150	48,638	2,517,813
Net Income	89,578	128,519	(26,613)	21,843	(461)	(2,079,652)	(537,132)	(219,288)	(216,630)	(221,599)	(54,704)	38,223	(3,077,918)
EBITDA													
(+) Depreciation & Amortization	58,131	57,243	55,320	56,026	54,557	55,454	46,582	43,918	30,352	29,751	30,824	29,315	547,475
(+) Total Other Expenses	58,933	(197,528)	3,272	4,048	42,782	1,983,224	343,877	54,657	53,303	55,456	67,150	48,638	2,517,813
Total Add Back	117,064	(140,284)	58,592	60,074	97,340	2,038,678	390,459	98,575	83,655	85,208	97,974	77,953	3,065,288
EBITDA	206,642	(11,765)	31,979	81,916	96,879	(40,974)	(146,673)	(120,713)	(132,975)	(136,392)	43,269	116,176	(12,630)
Adjustments to normalize EBITDA	15,700	(18,771)	-	3,100	18,771	41,916	29,000	-	-	-	-	-	89,716
Adjusted EBITDA	222,342	(30,536)	31,979	85,016	115,650	942	(117,673)	(120,713)	(132,975)	(136,392)	43,269	116,176	77,087

INTERNAL FLASH FINANCIAL REPORT

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MANTLE

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Period End 30-Jun-23

	<u>Month-to-Date Year-to-Date</u>	
	<u>Actual</u>	<u>Actual</u>
Revenue	331,319	1,100,843
Cost of Sales	107,607	765,239
Gross Profit	223,712	335,603
<i>Gross Margin %</i>	68%	30%
General & Administrative	136,851	923,652
Operating Income	86,862	(588,049)
Other Expenses		
Other Income	-	(20,103)
Interest	62,623	339,985
Fees	6,784	36,556
Loss(Gain) On Disposal Of Asset	(26,000)	(21,824)
Loss(Gain) On FV Change of Contingent Consideration	5,231	5,558
Loss(Gain) On Disposal Of ARO	-	282,908
Tax Expense	-	-
Total Other Expenses	48,638	623,081
Net Income	38,223	(1,211,131)
<u>EBITDA</u>		
(+) Depreciation & Amortization	29,315	210,743
(+) Total Other Expenses	48,638	623,081
Total Add Back	77,953	833,824
EBITDA	116,176	(377,307)
ADJUSTED EBITDA	116,176	(348,307)

BALANCE SHEET & COVENANTS

Period End 30-Jun-23

<u>Current Assets</u>		<u>Current Liabilities</u>	
Cash	129,809	Accounts Payable	687,358
Accounts Receivable	688,331	Accrued Liabilities	109,754
Other Receivable	73,274	Crestmark LOC	481,173
Prepaid Expenses & Deposits	131,967	Wages Payable	19,279
Assets Held for Sale	-	Vacation Payable	33,563
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Contract Asset	-	Current Portion of LTD	1,374,924
Work In Process	16,541	CPLTD Under Lease Obligation	31,805
Gravel Inventory - ATB	60,612	Total Current Liabilities	2,745,503
Gravel Inventory	1,345,695		
Parts Inventory	-	<u>Long Term Liabilities</u>	
Total Current Assets	2,446,227	Accrued Reclamation Obligation	3,666,893
		Future Income Tax	-
<u>Fixed Assets</u>		Due to Related Party	-
Property, Plant & Equipment	2,149,859	<u>Long Term Debt</u>	
Accumulated Depreciation - Property, Plant & Equi	(796,125)	Fiera Tranche A	4,029,840
Total Property, Plant & Equipment	1,353,734	Fiera Tranche D	119,907
		Fiera - Finance Fees (Contra)	(226,210)
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Accumulated Depreciation - Right of Use Asset	(660,737)	Travellers	1,065,475
Total Right of Use Asset	56,940	Travellers - Finance Fees (Contra)	(43,078)
Total Fixed Assets	1,410,674	Crestmark - Finance Fees (Contra)	(6,803)
		RLF Lender	1,774,191
<u>Other Assets</u>		Other Long Term Debt	50,976
Mineral Properties	1,296,248	Current Portion of Long Term Debt (Contra)	(1,374,924)
Reclamation Security	1,090,846	Total Long Term Debt	5,389,373
Reclamation Trust	-	<u>Long Term Debt Under Lease Obligation</u>	
Severance Trust	190,000	Equipment Leases	52,056
Investment	981,643	Property Leases	-
Due From JMB Estate	-	Current Portion of Lease Obligation (Contra)	(31,805)
Deferred Tax Asset	-	Total Long Term Debt Under Lease Obligation	20,250
Long Term Prepaid Expenses & Deposits	37,200	<u>Contingent Consideration</u>	
Capitalized Financing Fee	-	Fiera Tranche B	4,213,065
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		ATB Inventory Facility	11,188
TOTAL ASSETS	7,452,838	Total Contingent Consideration	4,224,253
		Total Long Term Liabilities	13,300,769
		TOTAL LIABILITIES	16,046,272
		<u>Shareholders Equity</u>	
		Share Capital	58,888,202
		Beginning Retained Earnings	(66,270,505)
		Current Earnings	(1,211,131)
		Dividends Paid	-
		Total Shareholders Equity	(8,593,434)
		TOTAL LIABILITES & EQUITY	7,452,838

STATEMENT OF CASH FLOWS

Period End 30-Jun-23

<u>Statement of Cash Flow</u>	<u>Month-to-Date Year-to-Date</u>	
Beginning Cash Balance	1,564	42,241
<i>Cash from operating activities:</i>		
Net Income	38,223	(1,211,131)
Depreciation	7,746	189,174
Change in Accounts Receivable	(77,646)	236,454
Change in Accounts Payable	62,072	426,452
Change in Gravel Inventory	(158,487)	(557,251)
Change in Work In Process	-	-
Change in Parts Inventory	-	-
Change in Tax Payable	(17,903)	6,420
Change in Other Current Assets	(121,074)	(33,338)
	(267,068)	(943,220)
<i>Cash from investing activities:</i>		
Change in PP&E	52,161	12,675
Change In Investment	-	-
Change in Other Long Term Assets	5,500	14,233
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<i>Cash from financing activities:</i>		
Change In Revolver	187,072	6,590
Change in Long Term Debt	160,101	1,026,583
Change in Lease Obligation	(3,549)	(21,007)
Change in Contingent Consideration	(5,971)	(8,285)
Change in Amounts to Due to Shareholder	-	-
Change in Amounts to Due to Related Party	-	-
Change in Equity	-	-
Change in Dividends	-	-
	337,653	1,003,880
Ending Cash Balance	129,809	129,809

LAST TWELVE MONTHS ("LTM") - INCOME STATEMENT
Period End 30-Jun-23

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	LTM
Revenue	939,143	233,762	546,579	775,113	546,140	218,053	13,454	86,940	238,707	44,339	386,084	331,319	4,359,632
Cost of Sales	645,738	179,059	379,482	578,709	316,046	131,182	49,378	110,900	250,268	51,896	195,190	107,607	2,995,455
Gross Profit	293,405	54,703	167,097	196,403	230,094	86,871	(35,924)	(23,960)	(11,561)	(7,557)	190,893	223,712	1,364,177
<i>Gross Margin %</i>	31%	23%	31%	25%	42%	40%					49%	68%	31%
General & Administrative	144,895	123,712	190,438	170,513	187,773	183,299	157,331	140,671	151,766	158,586	178,448	136,851	1,924,282
Total Operating Income	148,510	(69,009)	(23,341)	25,890	42,322	(96,428)	(193,255)	(164,631)	(163,327)	(166,143)	12,445	86,862	(560,105)
Other Expenses													
Other Income	-	(242,845)	(39,430)	(46,746)	(8,328)	(13,224)	-	-	(9,359)	(10,744)	-	-	(370,676)
Interest	39,625	40,997	38,554	43,567	45,388	63,813	55,511	48,276	56,575	55,927	61,073	62,623	611,929
Fees	34,861	4,045	4,045	5,188	5,427	9,022	5,427	6,087	6,087	6,087	6,087	6,784	99,144
Loss(Gain) On Disposal Of Asset	(15,659)	-	-	1,943	198	-	-	-	-	4,176	-	(26,000)	(35,342)
Loss(Gain) On FV Change of Cont. Cons.	106	275	103	95	99	152	32	294	0	12	(10)	5,231	6,388
Loss(Gain) On Disposal Of ARO	-	-	-	-	-	1,923,461	282,908	-	-	-	-	-	2,206,369
Tax Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expenses	58,933	(197,528)	3,272	4,048	42,782	1,983,224	343,877	54,657	53,303	55,456	67,150	48,638	2,517,813
Net Income	89,578	128,519	(26,613)	21,843	(461)	(2,079,652)	(537,132)	(219,288)	(216,630)	(221,599)	(54,704)	38,223	(3,077,918)
EBITDA													
(+) Depreciation & Amortization	58,131	57,243	55,320	56,026	54,557	55,454	46,582	43,918	30,352	29,751	30,824	29,315	547,475
(+) Total Other Expenses	58,933	(197,528)	3,272	4,048	42,782	1,983,224	343,877	54,657	53,303	55,456	67,150	48,638	2,517,813
Total Add Back	117,064	(140,284)	58,592	60,074	97,340	2,038,678	390,459	98,575	83,655	85,208	97,974	77,953	3,065,288
EBITDA	206,642	(11,765)	31,979	81,916	96,879	(40,974)	(146,673)	(120,713)	(132,975)	(136,392)	43,269	116,176	(12,630)
Adjustments to normalize EBITDA	15,700	(18,771)	-	3,100	18,771	41,916	29,000	-	-	-	-	-	89,716
Adjusted EBITDA	222,342	(30,536)	31,979	85,016	115,650	942	(117,673)	(120,713)	(132,975)	(136,392)	43,269	116,176	77,087

Month-to-Date Axon Trial Balance Import						Year-to-Date Axon Trial Balance Import						Mapping Formula's							
As of: 30/06/2023						As of: 30/06/2023						BS & IS	BS & IS	BS & IS	Cash	Cash	Cash		
Start of Current P 01/06/2023						Start of Current P 01/01/2023						Month-to-Date	Year-to-Date	Account	Account	Year-to-Date	Month-to-Date		
Account	GL Account Name	Opening Bal	Cur Debits	Cur Credits	YTD Debits	YTD Credits	Account	GL Account Name	Opening Bal	Cur Debits	Cur Credits	YTD Debits	YTD Credits	Amount	Amount	Map	Map	Balance	Balance
8400	Gifts	-	-	-	-	-	8400	Gifts	-	-	-	-	-	-	-	-	-	0	-
8410	Startup Costs	-	-	-	-	-	8410	Startup Costs	-	-	-	-	-	-	-	-	-	0	-
8420	To Be Coded	-	-	-	-	-	8420	To Be Coded	-	-	-	-	-	-	-	-	-	0	-
9000	Interest - Financed Assets	251,018.50	56,387.62	-	307,406.12	-	9000	Interest - Financed Assets	-	307,406.12	-	307,406.12	-	(56,388)	(307,406)	Interest	-	(307,406)	(56,388)
9001	Interest - Operating Line	24,579.72	6,054.28	-	30,634.00	-	9001	Interest - Operating Line	-	30,634.00	-	30,634.00	-	(6,054)	(30,634)	Interest	0	(30,634)	(6,054)
9005	Interest - Early Break Fees	-	-	-	-	-	9005	Interest - Early Break Fees	-	-	-	-	-	-	-	-	-	0	-
9010	Interest - Capital Leases	2460.17	403.32	-	2863.49	-	9010	Interest - Capital Leases	0	2863.49	-	2863.49	-	(403)	(2,863)	Interest	0	(2,863)	(403)
9020	Interest - Receiver General & Non-Deductible Penalties	-	-	-	-	-	9020	Interest - Receiver General & Non-Deductible Penalties	-	-	-	-	-	-	-	-	-	0	-
9030	Interest - Provincial Treasurer	-	-	-	-	-	9030	Interest - Provincial Treasurer	-	-	-	-	-	-	-	-	-	0	-
9040	Interest - Trade Accounts	173.89	-	-	173.89	-	9040	Interest - Trade Accounts	-	173.89	-	173.89	-	-	(174)	Interest	0	(174)	-
9050	Interest - Credit Cards	650.36	13.89	-	664.25	-	9050	Interest - Credit Cards	-	664.25	-	664.25	-	(14)	(664)	Interest	0	(664)	(14)
9060	Interest - Income	-	1,520.19	236.23	-	1,756.42	9060	Interest - Income	-	-	1,756.42	-	1,756.42	236.23	1,756.42	Interest	0	1,756.42	236.23
9070	Fees - Financing	29,772.75	6,783.73	-	36,556.48	-	9070	Fees - Financing	-	36,556.48	-	36,556.48	-	(6,784)	(36,556)	Fees	0	(36,556)	(6,784)
9080	Fees - Loan Prepayment	-	-	-	-	-	9080	Fees - Loan Prepayment	-	-	-	-	-	-	-	-	-	0	-
9090	Fees - Transaction	-	-	-	-	-	9090	Fees - Transaction	-	-	-	-	-	-	-	-	-	0	-
9095	Other Income	-	20,102.99	-	-	20,102.99	9095	Other Income	-	-	20,102.99	-	20,102.99	-	20,102.99	Other Income	0	20,102.99	-
9100	Debt Settlement	-	-	-	-	-	9100	Debt Settlement	-	-	-	-	-	-	-	-	-	0	-
9110	Bad Debt	-	-	-	-	-	9110	Bad Debt	-	-	-	-	-	-	-	-	-	0	-
9115	Discounts	-	-	-	-	-	9115	Discounts	-	-	-	-	-	-	-	-	-	0	-
9116	Loss (Gain) On FV Change of Contingent Consideration	326.96	5,231.33	-	5,558.29	-	9116	Loss (Gain) On FV Change of Contingent Consideration	-	5,558.29	-	5,558.29	-	(5,231)	(5,558)	Loss(Gain) On FV Change of Cont. Cons.	0	(5,558)	(5,231)
9120	Loss (Gain) From Investment - Atlas	-	-	-	-	-	9120	Loss (Gain) From Investment - Atlas	-	-	-	-	-	-	-	-	-	0	-
9130	Loss (Gain) On Disposal Of Asset	4,175.91	-	25,999.82	-	21,823.91	9130	Loss (Gain) On Disposal Of Asset	-	-	21,823.91	-	21,823.91	25,999.82	21,823.91	Loss(Gain) On Disposal Of Asset	0	21,823.91	25,999.82
9140	Loss (Gain) On De-Recognition Of Asset - Mineral Properties	-	-	-	-	-	9140	Loss (Gain) On De-Recognition Of Asset - Mineral Properties	-	-	-	-	-	-	-	-	-	0	-
9150	Loss (Gain) On Foreign Exchange - Unrealized	-	-	-	-	-	9150	Loss (Gain) On Foreign Exchange - Unrealized	-	-	-	-	-	-	-	-	-	0	-
9160	Loss (Gain) On Foreign Exchange - Realized	-	-	-	-	-	9160	Loss (Gain) On Foreign Exchange - Realized	-	-	-	-	-	-	-	-	-	0	-
9165	Loss (Gain) On Disposal Of ARO	282,908.10	-	-	282,908.10	-	9165	Loss (Gain) On Disposal Of ARO	-	282,908.10	-	282,908.10	-	-	(282,908)	Loss(Gain) On Disposal Of ARO	0	(282,908)	-
9170	Provision For Expected Credit Loss	-	-	-	-	-	9170	Provision For Expected Credit Loss	-	-	-	-	-	-	-	-	-	0	-
9180	Write Down (Up) - Parts Inventory	-	-	-	-	-	9180	Write Down (Up) - Parts Inventory	-	-	-	-	-	-	-	-	-	0	-
9190	Write Down (Up) - Sand & Gravel Inventory	-	-	-	-	-	9190	Write Down (Up) - Sand & Gravel Inventory	-	-	-	-	-	-	-	-	-	0	-
9200	Write Down (Up) - Mineral Properties Development	-	-	-	-	-	9200	Write Down (Up) - Mineral Properties Development	-	-	-	-	-	-	-	-	-	0	-
9210	Write Down (Up) - Reclamation Obligation	-	-	-	-	-	9210	Write Down (Up) - Reclamation Obligation	-	-	-	-	-	-	-	-	-	0	-
9220	Current Income Tax Expense	-	-	-	-	-	9220	Current Income Tax Expense	-	-	-	-	-	-	-	-	-	0	-
9230	Future Income Tax Expense	0	0	-	0	-	9230	Future Income Tax Expense	0	0	-	0	-	-	-	-	-	0	-
9240	Provision For Income Tax Expense	-	-	-	-	-	9240	Provision For Income Tax Expense	-	-	-	-	-	-	-	-	-	0	-
9300	Clearing Account	-	-	-	-	-	9300	Clearing Account	-	-	-	-	-	-	-	-	-	0	-
			1,712,137.66	1,712,137.66	79,801,658.76	79,801,658.76				4,846,074.10	4,846,074.10	79,801,658.76	79,801,658.76						

Mantle Materials Group

Axon to financial reporting workbook account mapping

Axon Chart of Accounts		Model Mapped Accounts		Model Accounts				
Account	GL Account Name	Model Account Mapping	Check	Model Cash Mapping	Model Account Name	Check	Mapped Cash Account	Model Cash Account Name
1000	CWB Chequing Account 4186	Cash	TRUE	Beginning Cash Balance	Cash	TRUE	Beginning Cash Balance	Beginning Cash Balance
1001	CWB GIC	Reclamation Security	TRUE	Change in Other Current Assets	Accounts Receivable	TRUE	Change in Accounts Receivable	
1010	TD Chequing Account 7152	Cash	TRUE	Beginning Cash Balance	Other Receivable	TRUE	Change in Accounts Receivable	Cash from operating activities:
1020	Accounts Receivable	Accounts Receivable	TRUE	Change in Accounts Receivable	Prepaid Expenses & Deposits	TRUE	Change in Other Current Assets	Net Income
1030	Pending Accounts Receivable	Other Receivable	TRUE	Change in Accounts Receivable	Assets Held for Sale	TRUE	Change in Gravel Inventory	Depreciation
1040	Revenue In Excess Of Billing	Other Receivable	TRUE	Change in Accounts Receivable	Work In Process	TRUE	Change in Work In Process	Change in Accounts Receivable
1050	Holdbacks Receivable	Other Receivable	TRUE	Change in Accounts Receivable	Gravel Inventory - ATB	TRUE	Change in Gravel Inventory	Change in Accounts Payable
1060	Other Accounts Receivable	Other Receivable	TRUE	Change in Accounts Receivable	Gravel Inventory	TRUE	Change in Gravel Inventory	Change in Gravel Inventory
1070	Expected Credit Loss Provision	Other Receivable	TRUE	Change in Accounts Receivable	Parts Inventory	TRUE	Change in Parts Inventory	Change in Work In Process
1080	GST Receivable	Tax Receivable	TRUE	Change in Tax Payable	Property, Plant & Equipment	TRUE	Change in PP&E	Change in Parts Inventory
1090	Prepaid Expenses	Prepaid Expenses & Deposits	TRUE	Change in Other Current Assets	Accumulated Depreciation - Property, Plant & Equip.	TRUE	Depreciation	Change in Tax Payable
1100	Deposits & Retainers	Prepaid Expenses & Deposits	TRUE	Change in Other Current Assets	Right of Use Asset	TRUE	Change in PP&E	Change in Other Current Assets
1110	Employee Receivable	Other Receivable	TRUE	Change in Accounts Receivable	Accumulated Depreciation - Right of Use Asset	TRUE	Depreciation	
1115	Advances Receivable	Other Receivable	TRUE	Change in Accounts Receivable	Investment	TRUE	Change In Investment	Cash from investing activities:
1116	Arrears Receivable	Other Receivable	TRUE	Change in Accounts Receivable	Long Term Prepaid Expenses & Deposits	TRUE	Change in Other Long Term Assets	Change in PP&E
1120	Contract Asset	Contract Asset	TRUE	Change in Other Current Assets	Due from Related Party	FALSE	Change in Amounts to Due to Related Party	Change In Investment
1130	Short Term Note Receivable	Other Receivable	TRUE	Change in Accounts Receivable	Due From JMB Estate	TRUE	Change in Amounts to Due to Related Party	Change in Other Long Term Assets
1140	Assets Held for Sale	Assets Held for Sale	TRUE	Change in Gravel Inventory	Mineral Properties	TRUE	Change in Other Long Term Assets	
1142	Work In Process (Direct)	Work In Process	TRUE	Change in Work In Process	Customer Contracts	FALSE	Change in Other Current Assets	Cash from financing activities:
1143	Work In Process (Indirect)	Work In Process	TRUE	Change in Work In Process				
1145	Inventory Aggregate - ATB	Gravel Inventory - ATB	TRUE	Change in Gravel Inventory	Reclamation Security	TRUE	Change in Other Current Assets	Change In Revolver
1150	Inventory Aggregate	Gravel Inventory	TRUE	Change in Gravel Inventory	Reclamation Trust	TRUE	Change in Other Current Assets	
1151	Inventory Aggregate - Variable Overhead	Gravel Inventory	TRUE	Change in Gravel Inventory				
1160	Inventory Parts	Parts Inventory	TRUE	Change in Parts Inventory	Severance Trust	TRUE	Change in Other Current Assets	Change in Long Term Debt
1200	Pickup Trucks	Property, Plant & Equipment	TRUE	Change in PP&E	Tax Receivable	TRUE	Change in Tax Payable	Change in Lease Obligation
1210	Accumulated Depreciation - Pickup Trucks	Accumulated Depreciation - Property, Plant & Equip.	TRUE	Depreciation	Deferred Tax Asset	TRUE	Change in Tax Payable	Change in Contingent Consideration
1220	Crushing & Earthmoving Equipment	Property, Plant & Equipment	TRUE	Change in PP&E	Goodwill	TRUE	Change in Other Current Assets	Change in Amounts to Due to Shareholder
1230	Accumulated Depreciation - Crushing & Earthmoving Equipment	Accumulated Depreciation - Property, Plant & Equip.	TRUE	Depreciation	Capitalized Financing Fee	TRUE	Change in Other Long Term Assets	Change in Amounts to Due to Related Party
1240	Heavy Trucks	Property, Plant & Equipment	TRUE	Change in PP&E	Long Term Prepaid Expenses	FALSE	Change in Other Long Term Assets	Change in Equity
1250	Accumulated Depreciation - Heavy Trucks	Accumulated Depreciation - Property, Plant & Equip.	TRUE	Depreciation	Accounts Payable	TRUE	Change in Accounts Payable	Change in Dividends
1260	Furniture & Fixtures	Property, Plant & Equipment	TRUE	Change in PP&E	Accrued Liabilities	TRUE	Change in Accounts Payable	
1270	Accumulated Depreciation - Furniture & Fixtures	Accumulated Depreciation - Property, Plant & Equip.	TRUE	Depreciation	Wages Payable	TRUE	Change in Accounts Payable	Ending Cash Balance
1280	Shop Equipment	Property, Plant & Equipment	TRUE	Change in PP&E	Vacation Payable	TRUE	Change in Accounts Payable	
1290	Accumulated Depreciation - Shop Equipment	Accumulated Depreciation - Property, Plant & Equip.	TRUE	Depreciation				
1300	IT Equipment	Property, Plant & Equipment	TRUE	Change in PP&E	Tax Payable	TRUE	Change in Tax Payable	
1310	Accumulated Depreciation - IT Equipment	Accumulated Depreciation - Property, Plant & Equip.	TRUE	Depreciation	Contingent Liability	FALSE	Change in Other Current Assets	
1320	Software Development	Property, Plant & Equipment	TRUE	Change in PP&E	Current Portion of LTD	TRUE	Change in Long Term Debt	
1330	Accumulated Depreciation - Software Development	Accumulated Depreciation - Property, Plant & Equip.	TRUE	Depreciation	CPLTD Under Lease Obligation	TRUE	Change in Long Term Debt	
1340	Leasehold Improvements	Property, Plant & Equipment	TRUE	Change in PP&E	Accrued Reclamation Obligation	TRUE	Change in Other Current Assets	
1350	Accumulated Depreciation - Leasehold Improvements	Accumulated Depreciation - Property, Plant & Equip.	TRUE	Depreciation	Fiera Tranche A	TRUE	Change in Long Term Debt	
1360	Real Property	Property, Plant & Equipment	TRUE	Change in PP&E	Fiera Tranche B	TRUE	Change in Contingent Consideration	
1500	ROU - Pickup Trucks	Right of Use Asset	TRUE	Change in PP&E	Fiera Tranche C	TRUE	Change in Contingent Consideration	
1510	ROU - Accumulated Depreciation - Pickup Trucks	Accumulated Depreciation - Right of Use Asset	TRUE	Depreciation	Fiera Tranche D	TRUE	Change in Long Term Debt	
1520	ROU - Crushing & Earthmoving Equipment	Right of Use Asset	TRUE	Change in PP&E	Fiera - Finance Fees (Contra)	TRUE	Change in Long Term Debt	
1530	ROU - Accumulated Depreciation - Crushing & Earthmoving Equ	Accumulated Depreciation - Right of Use Asset	TRUE	Depreciation	Crestmark - Finance Fees (Contra)	TRUE	Change in Long Term Debt	
1540	ROU - Heavy Trucks	Right of Use Asset	TRUE	Change in PP&E	ATB Inventory Facility	TRUE	Change in Contingent Consideration	
1550	ROU - Accumulated Depreciation - Heavy Trucks	Accumulated Depreciation - Right of Use Asset	TRUE	Depreciation	ATB Mortgage	TRUE	Change in Long Term Debt	
1560	ROU - Furniture & Fixtures	Right of Use Asset	TRUE	Change in PP&E	Travellers	TRUE	Change in Long Term Debt	
1570	ROU - Accumulated Depreciation - Furniture & Fixtures	Accumulated Depreciation - Right of Use Asset	TRUE	Depreciation	Travellers - Finance Fees (Contra)	TRUE	Change in Long Term Debt	
1580	ROU - Shop Equipment	Right of Use Asset	TRUE	Change in PP&E	Other Long Term Debt	TRUE	Change in Long Term Debt	

Axon Chart of Accounts		Model Mapped Accounts		Model Accounts				
Account	GL Account Name	Model Account Mapping	Check	Model Cash Mapping	Model Account Name	Check	Mapped Cash Account	Model Cash Account Name
1590	ROU - Accumulated Depreciation - Shop Equipment	Accumulated Depreciation - Right of Use Asset	TRUE	Depreciation	Long Term Debt	FALSE	Change in Long Term Debt	
1600	ROU - IT Equipment	Right of Use Asset	TRUE	Change in PP&E	Current Portion of Long Term Debt (Contra)	TRUE	Change in Long Term Debt	
1610	ROU - Accumulated Depreciation - IT Equipment	Accumulated Depreciation - Right of Use Asset	TRUE	Depreciation	Current Portion of Lease Obligation (Contra)	TRUE	Change in Lease Obligation	
1615	ROU - Tenancy Agreements	Right of Use Asset	TRUE	Change in PP&E	Crestmark LOC	TRUE	Change In Revolver	
1616	ROU - Accumulated Depreciation - Tenancy Agreements	Accumulated Depreciation - Right of Use Asset	TRUE	Depreciation	Equipment Leases	TRUE	Change in Lease Obligation	
1695	Exploration & Evaluation	Mineral Properties	TRUE	Change in Other Long Term Assets	Property Leases	TRUE	Change in Lease Obligation	
1700	Resource Properties	Mineral Properties	TRUE	Change in Other Long Term Assets	Future Income Tax	FALSE	Change in Other Current Assets	
1710	Resource Properties - Accumulated Depletion	Mineral Properties	TRUE	Change in Other Long Term Assets	Due to Related Party	TRUE	Change in Amounts to Due to Related Party	
1720	Resource Properties - ARO	Mineral Properties	TRUE	Change in Other Long Term Assets	Share Capital	TRUE	Change in Equity	
1730	Resource Properties - ARO - Accumulated Amortization	Mineral Properties	TRUE	Change in Other Long Term Assets	Beginning Retained Earnings	TRUE	Change in Equity	
1750	Reclamation Security	Reclamation Security	TRUE	Change in Other Current Assets	Current Earnings	TRUE	Beginning Cash Balance	
1760	Reclamation Trust	Reclamation Trust	TRUE	Change in Other Current Assets	Dividends Paid	TRUE	Change in Dividends	
1765	Severance Trust	Severance Trust	TRUE	Change in Other Current Assets	RLF Lender	TRUE	Change in Long Term Debt	
1800	Deferred Tax Asset	Deferred Tax Asset	TRUE	Change in Tax Payable	Contract Asset	TRUE	Change in Other Current Assets	
1810	Investment	Investment	TRUE	Change In Investment				
1820	Due from RLF Canada Holdings Limited	Other Receivable	TRUE	Change in Accounts Receivable				
1830	Due from 2161889 AB Ltd.	Due From JMB Estate	TRUE	Change in Amounts to Due to Related Party				
1840	Due From JMB Estate	Due From JMB Estate	TRUE	Change in Amounts to Due to Related Party				
1850	Goodwill	Goodwill	TRUE	Change in Other Current Assets				
1860	Long Term Prepaid Expenses	Long Term Prepaid Expenses & Deposits	TRUE	Change in Other Long Term Assets				
1865	Long Term Deposits & Retainers	Long Term Prepaid Expenses & Deposits	TRUE	Change in Other Long Term Assets				
1870	Capitalized Financing Fee	Capitalized Financing Fee	TRUE	Change in Other Long Term Assets				
1875	Intangible Asset - Option Lands	Mineral Properties	TRUE	Change in Other Long Term Assets				
2000	Accounts Payable	Accounts Payable	TRUE	Change in Accounts Payable				
2010	Accrued Liabilities	Accrued Liabilities	TRUE	Change in Accounts Payable				
2020	Employee Health Plan Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2030	Other Employee Benefits Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2040	Garnishment Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2045	Maintenance Payment Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2050	Deferred Revenue	Accrued Liabilities	TRUE	Change in Accounts Payable				
2060	Wages Payable	Wages Payable	TRUE	Change in Accounts Payable				
2070	Bonus Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2080	Accrued Wages	Accrued Liabilities	TRUE	Change in Accounts Payable				
2090	Vacation Payable	Vacation Payable	TRUE	Change in Accounts Payable				
2095	Accrued Salary Vacation	Vacation Payable	TRUE	Change in Accounts Payable				
2100	Subcontractor Holdback Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2110	Income Tax Payable	Tax Payable	TRUE	Change in Tax Payable				
2120	Canada Pension Plan Payable	Tax Payable	TRUE	Change in Tax Payable				
2130	Employment Insurance Payable	Tax Payable	TRUE	Change in Tax Payable				
2140	Accrued WCB Liability	Tax Payable	TRUE	Change in Tax Payable				
2150	GST Collected	Tax Payable	TRUE	Change in Tax Payable				
2160	GST Paid	Tax Payable	TRUE	Change in Tax Payable				
2170	GST Liability	Tax Payable	TRUE	Change in Tax Payable				
2191	Alimony Payment Payable	Tax Payable	TRUE	Change in Tax Payable				
2192	Registered Pension Plan Payable	Tax Payable	TRUE	Change in Tax Payable				
2193	Retirement Savings Plan Payable	Tax Payable	TRUE	Change in Tax Payable				
2194	Union Fee Payable	Tax Payable	TRUE	Change in Tax Payable				
2200	Pending Accounts Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2210	Pending Accounts Payable - Purchase Orders	Accrued Liabilities	TRUE	Change in Accounts Payable				
2220	TD Visa 4747 Cory Pichota Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2221	TD Visa 7491 Jeff Ryks Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2222	TD Visa 6713 Tenille Paul Payable	Accrued Liabilities	TRUE	Change in Accounts Payable				
2250	Corporate Tax Payable - Federal	Tax Payable	TRUE	Change in Tax Payable				

Axon Chart of Accounts		Model Mapped Accounts			Model Accounts			
Account	GL Account Name	Model Account Mapping	Check	Model Cash Mapping	Model Account Name	Check	Mapped Cash Account	Model Cash Account Name
2260	Corporate Tax Payable - Provincial	Tax Payable	TRUE	Change in Tax Payable				
2270	Current Portion Of Long Term Debt	Current Portion of LTD	TRUE	Change in Long Term Debt				
2280	Current Portion Of Assets Under ROU	CPLTD Under Lease Obligation	TRUE	Change in Long Term Debt				
2290	Current Portion Of Accrued Reclamation Obligation	Accrued Reclamation Obligation	TRUE	Change in Other Current Assets				
2400	Accrued Reclamation Obligation	Accrued Reclamation Obligation	TRUE	Change in Other Current Assets				
2410	Future Tax Liability	Tax Payable	TRUE	Change in Tax Payable				
2420	Due To Canadian Aggregate Resources Corp.	Due to Related Party	TRUE	Change in Amounts to Due to Related Party				
2425	Due To RLF Canada	Fiera Tranche A	TRUE	Change in Long Term Debt				
2500	Fiera Debt - Tranche A	Fiera Tranche A	TRUE	Change in Long Term Debt				
2501	Fiera Debt - Finance Fees (Contra)	Fiera - Finance Fees (Contra)	TRUE	Change in Long Term Debt				
2510	Fiera Debt - Tranche B	Fiera Tranche B	TRUE	Change in Contingent Consideration				
2520	Fiera Debt - Tranche C	Fiera Tranche C	TRUE	Change in Contingent Consideration				
2521	Fiera Debt - Tranche D	Fiera Tranche D	TRUE	Change in Long Term Debt				
2530	ATB - Inventory Debt	ATB Inventory Facility	TRUE	Change in Contingent Consideration				
2540	ATB - Mortgage Debt	ATB Mortgage	TRUE	Change in Long Term Debt				
2550	Travelers Debt	Travellers	TRUE	Change in Long Term Debt				
2551	Travelers Debt - Finance Fees (Contra)	Travellers - Finance Fees (Contra)	TRUE	Change in Long Term Debt				
2560	Crestmark LOC	Crestmark LOC	TRUE	Change In Revolver				
2565	RLF Lender Canada Limited	RLF Lender	TRUE	Change in Long Term Debt				
2561	Crestmark - Finance Fees (Contra)	Crestmark - Finance Fees (Contra)	TRUE	Change in Long Term Debt				
2600	Enterprise Lease - PT034	Equipment Leases	TRUE	Change in Lease Obligation				
2625	Bonnyville Office Lease	Property Leases	TRUE	Change in Lease Obligation				
2630	De Lage Landen Lease 727889	Equipment Leases	TRUE	Change in Lease Obligation				
2635	Alberta Auto Finance Lease 11145 - PT004	Equipment Leases	TRUE	Change in Lease Obligation				
2640	Alberta Auto Finance Lease 11146 - PT005	Equipment Leases	TRUE	Change in Lease Obligation				
2800	CAFO Financing	Other Long Term Debt	TRUE	Change in Long Term Debt				
2850	Current Portion of Long Term Debt (Contra)	Current Portion of Long Term Debt (Contra)	TRUE	Change in Long Term Debt				
2855	Current Portion of Lease Obligation (Contra)	Current Portion of Lease Obligation (Contra)	TRUE	Change in Lease Obligation				
2175	HST NS Collected	Tax Payable	TRUE	Change in Tax Payable				
2176	HST NS Paid	Tax Payable	TRUE	Change in Tax Payable				
2177	HST Collected	Tax Payable	TRUE	Change in Tax Payable				
2178	HST Paid	Tax Payable	TRUE	Change in Tax Payable				
2180	Contract Driver Liability	Accrued Liabilities	TRUE	Change in Accounts Payable				
2190	Owner Operator Liability	Accrued Liabilities	TRUE	Change in Accounts Payable				
3900	Class A Common Shares	Share Capital	TRUE	Change in Equity				
3901	Class A Perferred Shares	Share Capital	TRUE	Change in Equity				
3910	Additional Paid-In-Capital	Share Capital	TRUE	Change in Equity				
3920	Shares To Be Issued	Share Capital	TRUE	Change in Equity				
3930	Current Earnings	Current Earnings	TRUE	Beginning Cash Balance				
3940	Retained Earnings - Adjustment	Beginning Retained Earnings	TRUE	Change in Equity				
3950	Retained Earnings	Beginning Retained Earnings	TRUE					
3960	Dividends Paid	Dividends Paid	TRUE	Change in Dividends				
4010	Crushing Sales	Crushing Sales	TRUE		Crushing Sales	TRUE		
4020	Aggregate Sales	Aggregate Sales	TRUE		Aggregate Sales	TRUE		
4025	Aggregate Sales - Pre-Existing Inventory	Aggregate Sales	TRUE					
4030	Aggregate Sales - Owned SML's	Aggregate Sales	TRUE		Earthworks Revenue	TRUE		
4040	Trucking Revenue	Aggregate Sales	TRUE		Other Revenue	TRUE		
4050	Earthworks Revenue	Earthworks Revenue	TRUE					
4060	Other Revenue	Other Revenue	TRUE		Aggregate Processing - Wages	TRUE		
6000	Wages - Direct	Stockpile	TRUE		Aggregate Processing - Fuel	TRUE		
6005	Wages - Aggregate Processing	Aggregate Processing - Wages	TRUE		Aggregate Processing - Consumables	TRUE		
6006	Direct Wages - Load & Scale	Load & Scale	TRUE		Aggregate Processing - Equipment Rentals	TRUE		
6007	Direct Wages - Stockpile	Stockpile	TRUE		Aggregate Processing - Subcontract Crushing	TRUE		

Axon Chart of Accounts		Model Mapped Accounts		Model Accounts				
Account	GL Account Name	Model Account Mapping	Check	Model Cash Mapping	Model Account Name	Check	Mapped Cash Account	Model Cash Account Name
6008	Direct Wages - Pit Work	Pit Work - Wages	TRUE		Pit Work - Wages	TRUE		
6010	Subcontractors - Crushing	Aggregate Processing - Subcontract Crushing	TRUE		Pit Work - Fuel	TRUE		
6020	Subcontractors - Trucking	Trucking - Subcontractors	TRUE		Pit Work - Equipment Rentals	TRUE		
6030	Subcontractors - Trucking Inventory Transfer	Inventory Transfer	TRUE		Pit Work - Subcontractors	TRUE		
6040	Subcontractors - Clearing & Stripping	Pit Work - Subcontractors	TRUE					
6045	Subcontractors - Load & Scale	Load & Scale	TRUE		Inventory Transfer	TRUE		
6047	Subcontractors - Mob/Demob	Mobilization/Demobilization - Subcontractor	TRUE		Mobilization/Demobilization - Subcontractor	TRUE		
6050	Subcontractors - Other	Other - Subcontractors	TRUE					
6055	Subcontractors - Other Aggregate Processing	Subcontractors - Other Aggregate Processing	TRUE		Load & Scale	TRUE		
6060	Royalty Expense	Royalty Expense	TRUE		Stockpile	TRUE		
6061	Royalty Expense - Inventory Transfer	Inventory Transfer	TRUE					
6065	Cost of Goods Sold - Parts	Other - Cost of Sales	TRUE		Trucking - Subcontractors	TRUE		
6066	Equipment Fuel - Pit Work	Pit Work - Fuel	TRUE					
6067	Equipment Fuel - Production	Aggregate Processing - Fuel	TRUE		Other - Subcontractors	TRUE		
6068	Equipment Fuel - Stockpile	Stockpile	TRUE					
6069	Equipment Fuel - Load & Scale	Load & Scale	TRUE		Subcontractors - Other Aggregate Processing	TRUE		
6070	Equipment Diesel/Marked	Stockpile	TRUE					
6080	Equipment Diesel/Clear	Stockpile	TRUE					
6090	Equipment Gasoline	Equipment Fuel	TRUE					
6100	Equipment Propane	Aggregate Processing - Consumables	TRUE					
6110	Equipment Oil	Aggregate Processing - Consumables	TRUE					
6120	Equipment Lubricants/Grease	Aggregate Processing - Consumables	TRUE					
6130	Gravel Testing	Gravel Testing	TRUE		Royalty Expense	TRUE		
6140	Gravel Purchase	Net Changes in Aggregate Inventory	TRUE					
6150	Highway Transport Permits	Highway Transport Permits	TRUE					
6160	Road Usage Fees	Road Usage Fees	TRUE		Equipment Fuel	TRUE		
6170	Jobsite Lodging	Aggregate Processing - Wages	TRUE					
6180	Jobsite Meals	Aggregate Processing - Wages	TRUE		Gravel Testing	TRUE		
6190	Jobsite Allowances	Aggregate Processing - Wages	TRUE					
6200	Production Consumables	Aggregate Processing - Consumables	TRUE		Highway Transport Permits	TRUE		
6210	Project Penalties	Project Penalties	TRUE		Road Usage Fees	TRUE		
6220	Net Changes In Aggregate Inventory	Net Changes in Aggregate Inventory	TRUE					
6230	Direct Contract Costs - Contra	Direct Contract Costs - Contra	TRUE					
6240	Amortization - Direct Contract Costs	Amortization - Direct Contract Costs	TRUE		Project Penalties	TRUE		
7000	Wages - Indirect	Wages - Indirect	TRUE		Net Changes in Aggregate Inventory	TRUE		
7010	Wages - Allowances	Wages - Indirect	TRUE		Direct Contract Costs - Contra	TRUE		
7020	Third Party R&M - Crushing	Equipment Repair & Maintenance	TRUE		Amortization - Direct Contract Costs	TRUE		
7030	Third Party R&M - Earthworks	Equipment Repair & Maintenance	TRUE					
7040	Third Party R&M - Trucking	Equipment Repair & Maintenance	TRUE					
7050	Third Party R&M - Vehicles	Equipment Repair & Maintenance	TRUE					
7060	Parts Expense - Crushing Equipment	Equipment Repair & Maintenance	TRUE		Wages - Indirect	TRUE		
7070	Parts Expense - Earthworks Equipment	Equipment Repair & Maintenance	TRUE					
7080	Parts Expense - Trucking Equipment	Equipment Repair & Maintenance	TRUE		Equipment Repair & Maintenance	TRUE		
7090	Parts Expense - Vehicles	Equipment Repair & Maintenance	TRUE		Other - Cost of Sales	TRUE		
7100	Equipment Rentals - Crushing	Aggregate Processing - Equipment Rentals	TRUE		Equipment Rentals	TRUE		
7110	Equipment Rentals - Pit Work	Pit Work - Equipment Rentals	TRUE		Fuel - Pickup Trucks & Shop Equipment	TRUE		
7120	Equipment Rentals - Trucking	Equipment Rentals	TRUE		Performance Bonds	TRUE		
7130	Equipment Rentals - Vehicles	Equipment Rentals	TRUE		Third Party Shop Services	TRUE		
7140	Fuel - Pickup Trucks & Shop Equipment	Fuel - Pickup Trucks & Shop Equipment	TRUE		Shop Personnel Lodging & Meals	TRUE		
7150	Performance Bonds	Performance Bonds	TRUE		Shop Supplies	TRUE		
7160	Third Party Shop Services	Third Party Shop Services	TRUE		Small Tools	TRUE		
7170	Shop Personnel Lodging	Shop Personnel Lodging & Meals	TRUE		Freight Expense	TRUE		
7180	Shop Personnel Meals	Shop Personnel Lodging & Meals	TRUE		Safety Supplies	TRUE		

Axon Chart of Accounts		Model Mapped Accounts		Model Accounts				
Account	GL Account Name	Model Account Mapping	Check	Model Cash Mapping	Model Account Name	Check	Mapped Cash Account	Model Cash Account Name
7190	Shop Supplies	Shop Supplies	TRUE		Licensing & Registration	TRUE		
7200	Small Tools	Small Tools	TRUE		Droning	TRUE		
7210	Freight Expense	Freight Expense	TRUE		Depreciation - Equipment	TRUE		
7220	Safety Supplies	Safety Supplies	TRUE					
7230	Vehicle Licensing & Registration	Licensing & Registration	TRUE		Amortization - Pit Development	TRUE		
7240	Trucking Licensing & Registration	Licensing & Registration	TRUE		Amortization - ARO	TRUE		
7250	Droning	Droning	TRUE		Net Changes in Aggregate Inv. - Indirect	TRUE		
7255	Net Changes in Aggregate Inv. - Indirect	Net Changes in Aggregate Inv. - Indirect	TRUE		Dues & Licenses	TRUE		
7260	Depreciation - Pickup Trucks	Depreciation - Equipment	TRUE		Group Benefit Plan	TRUE		
7265	Depreciation - Crushing & Earthmoving Equipment	Depreciation - Equipment	TRUE		Management Wages	TRUE		
7270	Depreciation - Heavy Trucks	Depreciation - Equipment	TRUE		Bonus Expense	TRUE		
7275	Depreciation - Furniture & Fixtures	Depreciation - Equipment	TRUE		Insurance	TRUE		
7280	Depreciation - Shop Equipment	Depreciation - Equipment	TRUE		Accounting Fees	TRUE		
7285	Depreciation - IT Equipment	Depreciation - Equipment	TRUE		Legal Fees	TRUE		
7290	Depreciation - Software Development	Depreciation - Equipment	TRUE		Other Professional Services	TRUE		
7300	Depreciation - ROU Earthworks Equipment	Depreciation - Equipment	TRUE		Utilities	TRUE		
7310	Depreciation - ROU Trucking Equipment	Depreciation - Equipment	TRUE		Property Taxes	TRUE		
7320	Depreciation - ROU Crushing Equipment	Depreciation - Equipment	TRUE		Depreciation - Capitalized Property Lease	TRUE		
7330	Depreciation - ROU Vehicles	Depreciation - Equipment	TRUE		Property Rent	TRUE		
7335	Depreciation - ROU IT Equipment	Depreciation - Equipment	TRUE		Business Subscriptions	TRUE		
7350	Amortization - Pit Development	Amortization - Pit Development	TRUE		Advertising & Promotions	TRUE		
7360	Amortization - Accrued Reclamation Obligation	Amortization - ARO	TRUE		Office Supplies	TRUE		
7361	Amortization - ARO (Production)	Amortization - ARO	TRUE		Office Services	TRUE		
8000	Wages - General & Administration	Management Wages	TRUE		Small Office Assets	TRUE		
8010	Employment Insurance Expense	Management Wages	TRUE		Bank Service Fees	TRUE		
8020	Canada Pension Plan Expense	Management Wages	TRUE		Software Subscriptions	TRUE		
8030	WCB Expense	Management Wages	TRUE		IT Services	TRUE		
8040	WCB PIR Refund	WCB PIR Refund	TRUE		Internet & Web Hosting	TRUE		
8045	Wages Burden (Contra)	Management Wages	TRUE		Communications	TRUE		
8050	Payroll Payments To Be Coded	Management Wages	TRUE		Management - Travel & Accommodations	TRUE		
8060	Bonus Expense	Bonus Expense	TRUE		Management - Vehicle Fuel	TRUE		
8065	Employee RRSP Plan	Group Benefit Plan	TRUE		Management - Vehicle R&M	TRUE		
8070	Group Benefit Plan	Group Benefit Plan	TRUE		Management - Vehicle Allowances	TRUE		
8080	Insurance	Insurance	TRUE		Meals & Entertainment	TRUE		
8090	Accounting Fees	Accounting Fees	TRUE		Professional Development	TRUE		
8100	Legal Fees	Legal Fees	TRUE		Recruitment Expense	TRUE		
8110	Other Professional Services	Other Professional Services	TRUE		Gifts	TRUE		
8120	Utilities	Utilities	TRUE		WCB PIR Refund	TRUE		
8130	Property Rent	Property Rent	TRUE		Other Income	TRUE		
8140	Property Taxes	Property Taxes	TRUE		Startup Costs	TRUE		
8150	Depreciation - Capitalized Property Lease	Depreciation - Capitalized Property Lease	TRUE		Interest	TRUE		
8155	AEP Rental Charges	Property Rent	TRUE		Fees	TRUE		
8156	Environmental Monitoring	Dues & Licenses	TRUE		Debt Settlement	TRUE		
8160	Advertising & Promotions	Advertising & Promotions	TRUE		Bad Debt	TRUE		
8170	Sponsorship	Advertising & Promotions	TRUE		Loss(Gain) On FV Change of Cont. Cons.	TRUE		
8180	Donations To Registered Charities	Advertising & Promotions	TRUE		Loss(Gain) On Disposal Of Asset	TRUE		
8190	Search Engine Optimization	Advertising & Promotions	TRUE		Loss (Gain) On De-Recognition Of Asset - Mineral Propertie	TRUE		
8200	Subscriptions	Business Subscriptions	TRUE		Loss (Gain) On Foreign Exchange	TRUE		
8210	Dues & Licenses	Dues & Licenses	TRUE		Expected Credit Loss Provision	TRUE		
8220	Office Supplies	Office Supplies	TRUE		Write Down (Up) - Parts Inventory	TRUE		
8230	Office Services	Office Services	TRUE		Write Down (Up) - Sand & Gravel Inventory	TRUE		
8240	Small Office Assets	Small Office Assets	TRUE		Write Down (Up) - Mineral Properties Development	TRUE		
8250	Bank Service Fees	Bank Service Fees	TRUE		Write Down (Up) - Reclamation Obligation	TRUE		

Axon Chart of Accounts		Model Mapped Accounts		Model Accounts				
Account	GL Account Name	Model Account Mapping	Check	Model Cash Mapping	Model Account Name	Check	Mapped Cash Account	Model Cash Account Name
8260	Software Subscriptions	Software Subscriptions	TRUE		Tax Expense	TRUE		
8270	IT Services	IT Services	TRUE		Loss(Gain) On Disposal Of ARO	TRUE		
8280	Internet & Web Hosting	Internet & Web Hosting	TRUE					
8290	Communications	Communications	TRUE					
8300	Management - Accomodations	Management - Travel & Accommodations	TRUE					
8310	Management - Air Travel	Management - Travel & Accommodations	TRUE					
8320	Management - Travel	Management - Travel & Accommodations	TRUE					
8330	Management - Vehicle Fuel	Management - Vehicle Fuel	TRUE					
8340	Management - Vehicle Repair & Maintenance	Management - Vehicle R&M	TRUE					
8345	Management - Vehicle Allowances	Management - Vehicle Allowances	TRUE					
8350	Management - Meals & Entertainment	Meals & Entertainment	TRUE					
8360	Professional Development	Professional Development	TRUE					
8370	Safety Training	Professional Development	TRUE					
8380	Employment Testing	Recruitment Expense	TRUE					
8390	Recruitment Expense	Recruitment Expense	TRUE					
8400	Gifts	Gifts	TRUE					
8410	Startup Costs	Startup Costs	TRUE					
8420	To Be Coded	Fees	TRUE					
9000	Interest - Financed Assets	Interest	TRUE					
9001	Interest - Operating Line	Interest	TRUE					
9005	Interest - Early Break Fees	Interest	TRUE					
9010	Interest - Capital Leases	Interest	TRUE					
9020	Interest - Receiver General & Non-Deductible Penalties	Interest	TRUE					
9030	Interest - Provincial Treasurer	Interest	TRUE					
9040	Interest - Trade Accounts	Interest	TRUE					
9050	Interest - Credit Cards	Interest	TRUE					
9060	Interest - Income	Interest	TRUE					
9070	Fees - Financing	Fees	TRUE					
9080	Fees - Loan Prepayment	Fees	TRUE					
9090	Fees - Transaction	Fees	TRUE					
9095	Other Income	Other Income	TRUE					
9100	Debt Settlement	Debt Settlement	TRUE					
9110	Bad Debt	Bad Debt	TRUE					
9115	Discounts	Interest	TRUE					
9116	Loss (Gain) On FV Change of Contingent Consideration	Loss(Gain) On FV Change of Cont. Cons.	TRUE					
9120	Loss (Gain) From Investment - Atlas	Loss(Gain) On Disposal Of Asset	TRUE					
9130	Loss (Gain) On Disposal Of Asset	Loss(Gain) On Disposal Of Asset	TRUE					
9140	Loss (Gain) On De-Recognition Of Asset - Mineral Properties	Loss (Gain) On De-Recognition Of Asset - Mineral Properties	TRUE					
9150	Loss (Gain) On Foreign Exchange - Unrealized	Loss (Gain) On Foreign Exchange	TRUE					
9160	Loss (Gain) On Foreign Exchange - Realized	Loss (Gain) On Foreign Exchange	TRUE					
9165	Loss (Gain) On Disposal of ARO	Loss(Gain) On Disposal Of ARO	TRUE					
9170	Provision For Expected Credit Loss	Expected Credit Loss Provision	TRUE					
9180	Write Down (Up) - Parts Inventory	Write Down (Up) - Parts Inventory	TRUE					
9190	Write Down (Up) - Sand & Gravel Inventory	Write Down (Up) - Sand & Gravel Inventory	TRUE					
9200	Write Down (Up) - Mineral Properties Development	Write Down (Up) - Mineral Properties Development	TRUE					
9210	Write Down (Up) - Reclamation Obligation	Write Down (Up) - Reclamation Obligation	TRUE					
9220	Current Income Tax Expense	Tax Expense	TRUE					
9230	Future Income Tax Expense	Tax Expense	TRUE					
9240	Provision For Income Tax Expense	Tax Expense	TRUE					
9300	Clearing Account	Interest	TRUE					

Mantle Materials Group
Axon Aged AR & AP Import

Axon Aged AR Report Import					
Name	Amount	Current	Over 30	Over 60	Over 90
955937 Alberta Ltd.	3,356.22	3,356.22	-	-	-
Absolute Multicorp Ltd.	117,930.25	11,426.85	90,221.81	2,595.89	13,685.70
Accurate Industries Canada Inc.	94,922.74	84,679.70	10,243.04	-	-
CFM Concrete	997.10	997.10	-	-	-
Knelsen Sand and Gravel Ltd.	2,822.18	-	2,822.18	-	-
Ledcor Highways Ltd.	388,307.54	388,307.54	-	-	-
Matt Silver Trucking Ltd.	16,449.90	14,029.86	2,420.04	-	-
R. Batke Oilfield Ltd.	2,336.01	666.79	1,669.22	-	-
Ryan Blocha	1,355.30	1,355.30	-	-	-
Seven Lakes Oilfield Services Cor	10,270.35	10,270.35	-	-	-
Stony Valley Contracting	42,833.60	42,833.60	-	-	-
Timberwolf Environmental Service	6,749.73	6,749.73	-	-	-

Axon Aged AP Report					
Supplier	Amount	Current	Over 30	Over 60	Over 90
302016 Alberta Ltd.	5,494.15	5,494.15	-	-	-
93 St Office Holdings Ltd. c/o Qualico Propertie:	(3,720.94)	(3,720.94)	-	-	-
ATB Financial	5,232.52	5,232.52	-	-	-
Absolute Multicorp Ltd.	18,719.36	2,926.92	15,792.44	-	-
Accurate Scale Industries Ltd.	1,815.19	1,815.19	-	-	-
Advantage Welding & Fabrication Ltd.	3,714.69	3,714.69	-	-	-
Anarchy Aggregate Services Inc.	5,685.32	5,685.32	-	-	-
Bonnie's Equipment Services	64,894.86	6,535.13	24,403.46	-	33,956.27
Bonnyville Jr. A Pontiacs	2,000.00	2,000.00	-	-	-
Bonnyville Truck Parts	882.00	882.00	-	-	-
Bonnyville Water Conditioning Ltd.	66.00	-	66.00	-	-
Bumper to Bumper (Uni-Select Canada)	193.41	-	193.41	-	-
CPP Environmental	3,023.22	3,023.22	-	-	-
Cortex Management Inc.	6,491.10	6,491.10	-	-	-
Cougar Fuels Ltd.	911.32	-	911.32	-	-
Deloitte Management Services LP	16,852.50	8,988.00	7,864.50	-	-
Digital Connections (NextGen Automation)	861.69	861.69	-	-	-
Diversity Construction Inc.	10,234.36	4,210.50	6,023.86	-	-
Diversity Equipment Rentals & Sales Ltd.	93,194.85	93,194.85	-	-	-
Elrus Aggregate Systems	16,940.44	16,940.44	-	-	-
Expenses Abby Home	30.00	30.00	-	-	-
Expenses Jason Mercier	241.00	241.00	-	-	-
Fiera Private Debt Fund	67,209.30	62,756.77	-	2,277.20	2,175.33
Five 64 Ventures Ltd.	722.74	722.74	-	-	-
Harvey Yadlowski	10,555.38	10,555.38	-	-	-
Havener, Gail	1,077.61	825.54	252.07	-	-
Havener, Helen (Estate of)	1,077.61	825.54	252.07	-	-
Lafarge Canada Inc.	35,814.99	35,814.99	-	-	-
Location Cats	214,492.80	214,492.80	-	-	-
MCS Net	(26.59)	-	-	-	(26.59)
Machinery Supply	5,214.97	5,214.97	-	-	-
Matt Silver Trucking Ltd.	1,163.10	1,163.10	-	-	-
MicroAge (The Computer Cache St. Paul) Ltd.	8,330.40	7,467.83	862.57	-	-
Miller Thomson LLP	3,245.55	3,245.55	-	-	-
Mistol Seeds	4,158.00	4,158.00	-	-	-
North Country Co-Op	2,349.28	2,349.28	-	-	-
Northern Truck & Industrial Supplies Ltd.	3,065.89	1,562.98	1,502.91	-	-
Overdrive Heavy Duty Services	1,305.33	1,305.33	-	-	-
PetroCanada SuperPass	5,871.98	5,871.98	-	-	-
Receiver General - Payroll Source Deductions	53,017.36	53,017.36	-	-	-
SMS Equipment Inc.	4,055.55	4,055.55	-	-	-
Seven Lakes Oilfield Services Corp.	1,512.78	649.39	1,051.55	-	(188.16)

Mantle Materials Group*Production & Sales Volume Inputs (In Tonnes)*

	Total	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Month-To-Date	Year-To-Date
Volume Produced	805,700	43,428	41,559	27,807	71,798	77,083	31,103		2,000	43,516	43,121	20,773	40,696	40,696	150,106
Volume Delivered	437,865	28,087	2,612	13,215	11,566	424		58				175	521	521	696
Volume Sold (Includes Subcrushing)	713,781	50,619	9,068	19,918	76,973	78,238	31,481	657	5,420	30,538	2,255	14,108	12,920	12,920	65,241
Volume Subcrushing	198,846				64,108	77,083	31,103		2,000	24,552	-			-	26,552

Mantle Materials Group

Inputs, Checks & Balances

INPUTS

Period Ending	30-Jun-23											
Period Starting	01-Jan-23											
Amalgamation Date	01-May-21											
Last Twelve Months Reporting Periods	31/Jul/22	31/Aug/22	30/Sep/22	31/Oct/22	30/Nov/22	31/Dec/22	31/Jan/23	28/Feb/23	31/Mar/23	30/Apr/23	31/May/23	30/Jun/23

CHECKS & BALANCES

Check Description **Check** * All cells should be listed in green, red indicates there is a problem with the model

Detailed Report Tab Checks

Check Description	Year-To-Date	Month-to-Date											
Does Balance Sheet Balance	-	-											
Does Cash Flow Balance	-	-											
Does Budget Grand total match	-	-											
Does Net Income GAAP match Op Statement	-	-											
Does Net Income GAAP match Op Statement (Budget)	-	-											
Does EBITDA GAAP match Op Statement	-	-											
Does Budget Net Income balance to budget import	-	-											
Does Budget EBITDA balance to budget import	-	-											
Does Original Budget/Projection GAAP IS match OPS IS	-	-											
Check Gross Profit from 12 Mo TTM match Current Mo IS	-	-											
Check Gross Profit from 12 Mo TTM match Current Mo IS	-	-											
Does LTM Net Income match historical import	-	-											
Does LTM Adjusted EBITDA match YTD & MTD adjusted EBITDA	-	-											
Check for prior period adjustments Net Income			31/Jul/22	31/Aug/22	30/Sep/22	31/Oct/22	30/Nov/22	31/Dec/22	31/Jan/23	28/Feb/23	31/Mar/23	30/Apr/23	31/May/23
Prior LTM period Net Income			89,578	128,519	(26,613)	21,843	(461)	(2,079,652)	(537,132)	(219,288)	(216,630)	(221,599)	(54,704)
Known Adjustments													
Variance			-	-	-	-	-	-	-	-	-	-	-
Prior LTM adjusted EBITDA			222,342	(30,536)	31,979	85,016	115,650	942	(117,673)	(120,713)	(132,975)	(136,392)	43,269
Known Adjustments													
Variance			-	-	-	-	-	-	-	-	-	-	-

Summarized Report Tab Checks

Check Description	Year-To-Date	Month-to-Date
Does Net Income = Lender report tab	-	-
Does adjusted EBITDA = Lender report tab	-	-
Does Cash Flow Ending Balance Equal between MTD and YTD	-	-
Does Balance sheet balance	-	-

ATB Report Tab Checks

Check Description	Year-To-Date	Month-to-Date
Does Balance Sheet Balance	-	-

Import Historical Tab

Check Description	Column Q	Column AH	Column AY
Are there reference errors ?	-	-	-
Does the Axon import match the totalling formula's	-	-	-

Import TB Tab

Check Description	Column N	Column F	Column Q
Check for reference errors to ensure the trial balance import accounts exist in the financial report workbook	-	-	-
Do all Trial Balance accounts exist in RLH Report?	-	-	-

Mapping Tab

Check Description	Column C	Column G	Column I
Are there duplicate accounts names in either columns?	FALSE	FALSE	FALSE

Period Ending 30-Jun-23
 Period Starting 01-Jan-23
 Amalgamation Date 01-May-21
 Last Twelve Months Reporting Periods 31/Jul/22 31/Aug/22 30/Sep/22 31/Oct/22 30/Nov/22 31/Dec/22 31/Jan/23 28/Feb/23 31/Mar/23 30/Apr/23 31/May/23 30/Jun/23

CHECKS & BALANCES

Check Description **Check** * All cells should be listed in green, red indicates there is a problem with the model

AR Checks	Amount	Current	Over 30	Over 60	Over 90	Over 120
AR imported from Axon	688,331	564,673	107,376	2,596	13,686	-
AR from reporting tab	688,331	564,673	107,376	2,596	13,686	-
Does AR import match AR report	-	-	-	-	-	-
Does Balance sheet AR match reporting tab AR - Mantle	-	-	-	-	-	-

AP Checks	Amount	Current	Over 30	Over 60	Over 90	Over 120
AP imported from Axon	687,358	582,391	66,773	2,277	35,917	-
AP from reporting tab	687,358	582,391	66,773	2,277	35,917	-
Does AP import match AP report	-	-	-	-	-	-
Does Balance sheet AP match reporting tab AP - Mantle	-	-	-	-	-	-

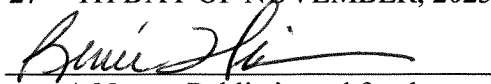
INSTRUCTIONS

Import Trial Balance, AR, AP, 12 month historical income statement into import tabs	x
Remove totaling from AR/AP report	x
Sort AR/AP from biggest to smallest	x
Ensure no cells in this tab are red	x

FUTURE ADDITIONS

Add Adjusted EBITDA on IS reporting
 Add audit trail for EBITDA addbacks
 Correct GST refund as a liability
 Add checks for cells above to check whether 12 month trailing EBITDA and NI match
 Review cash flow statement for correct presentation
 Review Abby Time Allocation

THIS IS EXHIBIT "H" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

- D. Pursuant to the Purchase Agreement (as hereinafter defined), JMB and 216 agreed to sell the Acquired Assets (as defined in the Purchase Agreement) to Mantle, and Mantle agreed to pay the Purchase Price (as defined in the Purchase Agreement) for the Acquired Assets in part by the assumption of a portion of the indebtedness of JMB owing to the Lender pursuant to the JMB Loan Agreements and any promissory notes issued in connection therewith, on terms and conditions agreeable to the Borrower and Lender (the “**Initial Acquisition**”).
- E. Pursuant to a plan of arrangement under the CCAA and *Business Corporations Act*, SBC 2002, c 57 (the “**Plan**”), Mantle was deemed to assume a portion of the indebtedness of JMB owing to the Lender referred to in Recital D (together with the Initial Acquisition, the “**Transaction**”).
- F. The Lender consented to the Transaction and in connection therewith, has agreed to:
- (i) amend, restate, and consolidate the JMB Loan Agreements subject to the terms and conditions as set forth herein;
 - (ii) amend and restate the Existing Collateral Agency Agreement in its entirety to, *inter alia*, reaffirm (A) the appointment, duties and responsibilities of the Collateral Agent, and (B) the agreement between the Lender as to decisions relating to the exercise of remedies under the Security (as defined herein) granted to the Collateral Agent, and certain limitations on the exercise of such remedies; and
 - (iii) continue certain Credit Facilities in favour of the Borrower, and the Borrower has agreed to avail itself of such Credit Facilities.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants herein contained, the Borrower, the Guarantors, and the Lender agree as follows:

1. Definitions

In this Agreement unless there is something in the subject matter or context inconsistent therewith:

- (a) “**216 Dispositions**” means the Dispositions listed on Schedule F under the heading “216 Dispositions” together with any security deposited with the AEP in respect thereof to secure Reclamation Obligations;
- (b) “**Additional Guarantor**” means such Subsidiaries of the Borrower or the Parent Group, as applicable, from time to time that provide Security pursuant to Section 14(ii);
- (c) “**Advance**” means any actual or deemed advance, extension or utilization of credit pursuant to this Agreement;
- (d) “**AEP**” means Alberta Environment & Parks;
- (e) “**Affiliate**” means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person or group of Persons, and for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” or “under common control”) means the power to direct or

cause the direction of the management and policies of any Person, whether through the ownership of shares or by contract or otherwise;

- (f) **“Aggregate”** means gravel and other aggregates extracted from a Purchased Pit after the Closing Date;
- (g) **“Aggregate Equipment Sale Net Proceeds”** means the aggregate proceeds of sale of the Remaining Fiera Equipment net of reasonable costs incurred in disposing such Fiera Equipment that have been approved by the Lender;
- (h) **“Agreement”** means this loan agreement, as the same may be amended, restated, modified, supplemented or replaced from time to time in accordance with the provisions hereof;
- (i) **“Applicable Canada Bond”** means with respect to a prepayment of an Advance the non-callable Government of Canada bond denominated in Cdn. currency determined by the Lender as having a remaining term to maturity closest to the remaining term to maturity of the Advance in respect of which the prepayment is to be made;
- (j) **“Applicable Canada Bond Yield”** means with respect to the prepayment of an Advance, the arithmetic average (rounded to the nearest 1/100th of 1%) of the respective percentages reasonably determined by the Lender, calculated in accordance with the generally accepted financial practices, assuming monthly compounding, to be the yield to maturity, expressed as an annual rate of interest, on the Applicable Canada Bond on the 2nd Business Day preceding the date of such prepayment;
- (k) **“Applicable Law”** means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction, including all Environmental Laws;
- (l) **“Appraised Equipment Value”** means the appraised gross orderly liquidation value of the Fiera Equipment or the Remaining Fiera Equipment, as applicable, under the Machinery and Equipment valuation and review prepared by Gordon Brothers for JMB dated May 5, 2020 and effective April 23, 2020;
- (m) **“ATB”** means ATB Financial;
- (n) **“ATB Agreement”** means the agreement between ATB and the Borrower setting out the terms governing the ATB Assumed Debt;
- (o) **“ATB Aggregate”** means the Acquired Tranche B Aggregate, as such term is defined in the Purchase Agreement;
- (p) **“ATB Assumed Debt”** means that portion of the indebtedness owed by JMB and 216 to ATB which was assumed by the Borrower pursuant to the Plan;
- (q) **“Basis Points”** or **“bps”** means one one-hundredth of one percent;
- (r) **“Borrower”** means Mantle Materials Group, Ltd.;

- (s) **“Business Day”** means a day other than Saturday, Sunday or other day on which commercial banks in Calgary, Alberta or Toronto, Ontario are required by Applicable Law to close;
- (t) **“Capital Stock”** means, with respect to any Person from time to time, any and all shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the Person’s equity or capital from time to time, however designated and whether voting or non-voting;
- (u) **“Change in Control”** means any one of the following: (i) the Parent Group or any member or Affiliate thereof ceases to hold fifty (50%) percent of the outstanding Equity Interests of the Borrower; or (ii) in any Fiscal Year, the majority of the Board of Directors of the Borrower changes; provided that, notwithstanding the foregoing, a substitution, addition or change of directors of the Borrower shall not constitute a Change in Control where such newly appointed director or directors are employees, officers or directors of the Parent Group or an Affiliate thereof;
- (v) **“Chattels”** means all the machinery, equipment, furniture, vehicles, goods and tangible personal property of the Borrower as well as every interest of such Loan Party therein, whether as purchaser under a conditional sale agreement, as mortgagor under a chattel mortgage or as lessee under a rental or rental/purchase agreement including all equipment, accessories, tools and appliances thereto now or thereafter fixed or appertaining thereto or used in connection therewith and all other machinery, equipment, furniture, vehicles, goods and Chattels now or hereafter owned or acquired by such Loan Party whether in addition thereto, substitution therefore, replacement thereof, or otherwise;
- (w) **“Closing Date”** means the date on which all conditions precedent set out in Section 12 have been satisfied or waived, in accordance with this Agreement.
- (x) **“Collateral”** means all real and personal property (and the revenues, insurance proceeds, issues, profits, proceeds and products of the foregoing) which are subject, or are intended or required to become subject, to the Security or Encumbrance granted under any of the Loan Documents;
- (y) **“Commitment Fee”** means Ninety Five Thousand (\$95,000) Dollars;
- (z) **“Compliance Certificate”** means a certificate addressed to the Lender and executed by the Borrower in the form attached as Schedule B attached hereto;
- (aa) **“Credit Facilities”** has the meaning set out in Section 3 of this Agreement;
- (bb) **“Crown”** means Her Majesty the Queen in right of the Province of Alberta;
- (cc) **“Current Assets”** means, at any time, those assets ordinarily realizable within one (1) year from the date of determination or within the normal operating cycle, where such cycle is longer than one (1) year;
- (dd) **“Current Liabilities”** means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for Current Assets), but excluding, for certainty, the ATB Assumed Debt;

- (ee) **“Current Ratio”** means the Current Assets divided by the Current Liabilities, excluding the current portion of long term debt;
- (ff) **“Debt Service Coverage”** means EBITDA plus (to the extent not already included) any other non-cash expenses acceptable to the Lender less un-financed capital expenditure, advances to related parties deferred charges, Distributions and cash taxes, divided by the total of (A) scheduled principal repayments in respect of Facility A, (B) principal repayments in respect of Facility B, (C) scheduled principal payments on all other consolidated debt (other than, for greater certainty, payments of ATB Assumed Debt), and (D) all interest payments; provided that for the purposes of this definition (i) at all times, principal repayments in respect of Facility C Principal Amount and Facility D Principal Amount shall be excluded and (ii) for any time up to and including March 31, 2025, repayments of the Facility B Principal Amount shall be excluded. For certainty, beginning with the quarterly fiscal period beginning as of April 1, 2025, principal repayments of the Facility B Principal Amount shall be included in Debt Service Coverage;
- (gg) **“Disposition”** means a disposition of land of the Crown in right of Alberta under the *Public Lands Act*, RSA 2000, Ch. P-40;
- (hh) **“Distribution”** means any amount paid by any Loan Party to or on behalf of the employees, directors, officers, shareholders or partners of any Loan Party or to any Related Person thereto, by way of salary, bonus, commission, management fees, directors’ fees, dividends, redemption of Capital Stock or other Equity Interests, distribution of profits, or otherwise, and whether payments are made to such Persons in their capacity as shareholders, partners, directors, officers, employees, owners or creditors of any Loan Party or otherwise, or any other direct or indirect payment in respect of earnings or capital of any Loan Party; provided however that (A) the payment of salaries and management fees from time to time to partners, officers and employees of a Loan Party in the ordinary course of business at levels not in excess of (i) normal industry remuneration and (ii) those in existence as at the Closing Date shall not be considered Distributions, and (B) the issuance of Capital Stock or other Equity Interests of any Loan Party to any existing shareholder thereof, and the issuance of Capital Stock or other Equity Interests of any Loan Party to any employee under such Loan Party’s long term incentive plan;
- (ii) **“Eastside”** means Eastside Rock Products, Inc.;
- (jj) **“EBITDA”** means, with respect to the Borrower, earnings before interest, taxes, depreciation, depletion expenses, accretion, amortization and payments under Facility B, but does not include such non-cash items as stock based compensation, loss/gain on disposal of assets and/or any one time/non-recurring items. EBITDA shall include adjustments for trailing results of the Transaction and other acquisitions, as reasonably applicable and approved by the Lender, acting reasonably;
- (kk) **“Encumbrance”** means, with respect to any Person or any property, any mortgage, debenture, chattel mortgages, conditional sales contracts, pledge, hypothec, lien, charge, lease, sublease, easement, preference, priority, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such

Person's property or assets, or any consignment by way of security or Finance Lease Obligations of such Person as consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation, including title reservations, limitations, provisos or conditions, and "**Encumbrances**" and "**Encumbered**" have corresponding meanings;

- (ll) "**Environmental Complaint**" shall have the meaning set forth in Section 14(bb) hereof;
- (mm) "**Environmental Laws**" shall mean all federal, Canadian, state, provincial and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment, human health and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of Governmental Authorities with respect thereto which are applicable to the Lands, operations or assets of the applicable Loan Party;
- (nn) "**EPEA**" means the *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 and the regulations thereunder, including the Code of Practice for Pits issued thereunder;
- (oo) "**Equity Interests**" means, in respect of any Person, Capital Stock of such Person, warrants, options or other rights to acquire Capital Stock of the Person and securities convertible into or exchangeable for Capital Stock of such Person;
- (pp) "**Event of Default**" means the occurrence of any event listed in Section 19 hereof;
- (qq) "**Facility D Maturity Date**" means the date that is Eighteen (18) months from the date of the Closing Date;
- (rr) "**Fiera Equipment**" means the tangible personal property listed on Schedule I hereto;
- (ss) "**Finance Lease Obligation**" of any Person means the obligations of such Person under any Finance Lease to which it is a party;
- (tt) "**Finance Leases**" has the meaning ascribed to such term, and, for certainty, includes "lease liabilities" as it relates to a lessee, in the International Financial Reporting Standard 16, as same may be amended from time to time;
- (uu) "**Fiscal Year**" means, in respect of the Borrower, its fiscal year commencing on the 1st of January each year and ending on 31st of December of that same year, or such other fiscal year as may be agreed to by the Lender;
- (vv) "**Funded Debt**" means, with respect to any Person:
 - (i) money borrowed (including, without limitation, by way of overdraft) or indebtedness represented by notes payable and drafts accepted representing extensions of credit;
 - (ii) bankers' acceptances and similar instruments;
 - (iii) letters of credit, letters of guarantee and surety bonds issued at the request of such Person;

- (iv) all obligations (whether or not with respect to the borrowing of money) that are evidenced by bonds, debentures, notes or other similar instruments, excluding any such instruments that are at the sole option of the Borrower, convertible into capital of the Borrower but including without limitation, any indebtedness or liabilities of such Person that may be satisfied by the delivery of shares of such Person to the holder thereof or to another Person on behalf of the holder, or that are not so evidenced but that would be considered by GAAP to be indebtedness for borrowed money;
- (v) all obligations as lessee under sale and lease-back, transactions and Finance Leases;
- (vi) all Purchase Money Obligations of such Person; and
- (vii) any guarantee or indemnity (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) in any manner of any part or all of an Obligation included in items (a) through (f) above,

and, for certainty, shall include the Credit Facilities but shall not include the ATB Assumed Debt;

- (ww) **“Generally Accepted Accounting Principles”** or **“GAAP”** means those accounting principles recommended by Chartered Professional Accountants Canada (**“CPA Canada”**) as successor to the Canadian Institute of Chartered Accountants) and includes any recommendation in its Handbook concerning accounting treatment or statement presentation, such recommendation shall be regarded as the only generally accepted accounting principle applicable to the circumstances that it covers and reference herein to **“Generally Accepted Accounting Principles”** shall be interpreted accordingly, and means in reference to the Loan Parties, IFRS;
- (xx) **“Governmental Authority”** means (i) any government or political subdivision thereof national, provincial, county, municipal or regional having jurisdiction in the relevant circumstances; (ii) any agency or instrumentality of any such government, political subdivision or other government entity (including any central bank or comparable agency); (iii) any court, arbitral tribunal or arbitrator; and (iv) any non-government regulating body, to the extent that the rules, regulations or orders of such body have the force of law;
- (yy) **“Hazardous Discharge”** shall have the meaning set forth in Section 14(bb) hereof;
- (zz) **“Hazardous Substance”** shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials;
- (aaa) **“Hazardous Wastes”** shall mean all waste materials subject to regulation under any Environmental Laws now in force or hereafter enacted relating to hazardous waste disposal;

- (bbb) **“IFRS”** means International Financial Reporting Standards, including International Accounting Standards and Interpretations together with their accompanying documents, which are set by the International Accounting Standards Board, the independent standard-setting body of the International Accounting Standards Committee Foundation (the **“IASC Foundation”**), and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation, but only to the extent the same are adopted in Canada as GAAP and then subject to such modifications thereto as are agreed to as part of such adoption, if any;
- (ccc) **“Indebtedness”** means the principal sum or aggregate amount outstanding at any given time of all loans and advances made, or which may be made, by the Lender to the Borrower (including the Credit Facilities) and interest on such loans and advances and all costs, charges and expenses of, or incurred by the Lender, in connection with any Security and in connection with all Collateral (whether in protecting, preserving, realizing or collecting any such Security or Collateral or attempting so to do or otherwise), and all other obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the Borrower to the Lender arising from this or any agreement or dealings between the Lender and the Borrower or from any agreement or dealings with any Person by which the Lender may be or become in any manner whatsoever a creditor of the Borrower or otherwise howsoever arising and whether the Borrower be bound alone or with another or others and whether as principal or surety, including without limitation the fees, costs and expenses contemplated by Section 14(k), it being the express intention of the parties that the word **“Indebtedness”** include such amount as is necessary to indemnify and save harmless the Lender from all such costs, expenses and monies as aforesaid;
- (ddd) **“Interest Rate”** means the rate of interest equal to seven (7%) percent per annum;
- (eee) **“Interest Rate Differential”** means the greater of:
- (i) three (3) months interest calculated in accordance with this Agreement; and
 - (ii) the premium equal to the difference between:
 - (A) the present value of the Credit Facilities interest and the principal payments which are foregone, discounted at the Applicable Canada Bond Yield, (on a compounded monthly equivalent basis, as determined by the Lender), for the term from the date of prepayment to the date of original maturity plus 50 Basis Points; and
 - (B) the face value of the principal amount being prepaid at the date of prepayment;
- (fff) **“Initial Acquisition”** has the meaning set out in the Recitals to this Agreement;
- (ggg) **“Inventory”** has the meaning defined in the *Personal Property Security Act* (Alberta);

- (hhh) “**JMB Dispositions**” means the Dispositions listed on Schedule F under the heading “JMB Dispositions” together with any security deposited with the AEP in respect thereof to secure Reclamation Obligations;
- (iii) “**JMB Loan Agreements**” means the amended and restated loan agreement effective December 14, 2018 between JMB, as borrower, Eastside, as guarantor, and Fiera Private Debt Fund V LP (formerly known as Integrated Private Debt Fund V LP), by its general partner Fiera Private Debt Fund GP Inc. (formerly known as Integrated Private Debt Fund GP Inc.), as lender, together with the loan agreement effective October 17, 2019 between JMB, as borrower, Eastside and 216, as guarantors, and Fund VI, as lender;
- (jjj) “**Lands**” means those lands located in the Province of Alberta and referenced in Schedule G;
- (kkk) “**Loan Documents**” means, collectively, this Agreement, the Security and each agreement, instrument and each certificate, agreement or document executed in connection with or pursuant to any of the foregoing, in each case as the same may be amended, restated, modified, supplemented or replaced from time to time;
- (lll) “**Loan Parties**” means the Borrower, the Guarantors, and each Additional Guarantor, from time to time, and each is a “**Loan Party**”;
- (mmm) “**Material Adverse Change**” means any event, development or circumstance that has had or would reasonably be expected to have a Material Adverse Effect;
- (nnn) “**Material Adverse Effect**” means a material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of the Borrower, or (b) the amount which the Lender would be likely to receive (after giving effect to delays in payment and costs of enforcement) upon the liquidation of the Collateral;
- (ooo) “**Material Agreement**” means an agreement made between the Borrower, and/or a Guarantor, and another Person which if terminated by reason of breach, wrongdoing or neglect by or on behalf of the Borrower, or a Guarantor, as applicable, would reasonably be expected to have a Material Adverse Effect or result in an Event of Default, and includes, without limitation, those agreements specifically listed in Schedule F;
- (ppp) “**Maturity Date**” means the date that is Ninety-Six (96) months from the date of the Closing Date;
- (qqq) “**Maximum Allowable Interest**” has the meaning ascribed to such term in Section 7(b)(ii);
- (rrr) “**Parent Group**” means RLF Canada Holdings Limited;
- (sss) “**Payment Failure**” has the meaning ascribed to such term in Section 7(d);
- (ttt) “**Permitted Encumbrances**” means the Encumbrances and registrations registered against the Borrower and described in Schedule A attached hereto and forming part of this Agreement;

- (uuu) **“Permitted Future Finance Leases”** means those certain Finance Leases entered into by the Borrower after the advance of the Credit Facilities provided always that that the maximum aggregate limit for all such leases, taken together with Permitted Future PMOs, shall not exceed Four Million (\$4,000,000) Dollars for the Borrower at any time;
- (vvv) **“Permitted Future PMOs”** means the Encumbrances granted against specific purchased property or assets in connection with those certain Purchase Money Obligations entered into by the Borrower after the advance of the Credit Facilities; provided always that that the maximum aggregate limit for all such Purchase Money Obligations, taken together with Permitted Future Finance Leases, shall not exceed Four Million (\$4,000,000) Dollars for the Borrower at any time;
- (www) **“Permitted Future Subordinated Debt”** means Funded Debt, in an amount to be approved by the Lender, which is subordinated to the Credit Facilities and is either unsecured, or if secured, such Encumbrances are subordinated and postponed to the Security, on terms and conditions acceptable to the Lender, acting reasonably;
- (xxx) **“Permitted Future Subordinated Debt Security”** means those Encumbrances securing Permitted Future Subordinated Debt; provided that such Encumbrances are postponed to the Security, on terms and conditions acceptable to the Lender, acting reasonably;
- (yyy) **“Permitted Future Working Capital Security”** means the Encumbrances granted against the Collateral (or any portion thereof) or any other assets or property of the Loan Parties as security for certain credit facilities for the purposes of financing the Borrower and Loan Parties working capital and other operating needs entered into by the Borrower after the advance of the Credit Facilities; provided always that that the maximum aggregate limit for all such credit facilities shall not exceed Five Million (\$5,000,000) Dollars for the Borrower at any time and security for such financings shall be first priority over the Loan Parties’ respective accounts receivable and inventory only;
- (zzz) **“Permitted Restructuring”** is defined in Section 15(p), and for certainty, includes the Planned Reorganization;
- (aaaa) **“Person”** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership, Governmental Authority or other entity;
- (bbbb) **“PLA”** means the *Public Lands Act*, RSA 2000, c P-4 and all regulations thereunder.
- (cccc) **“Plan”** has the meaning set out in the Recitals to this Agreement;
- (dddd) **“Planned Reorganization”** has the meaning given to it in Section 15(p);
- (eeee) **“Pledged Securities”** means the Equity Interests of the Loan Parties and other Persons that are specifically pledged as part of the Security from time to time;
- (ffff) **“Property”** means, with respect to any Person, any or all of its undertaking, property and assets;

- (gggg) **“Purchase Agreement”** means the amended and restated purchase agreement dated as of March 3, 2021, entered into between, *inter alios*, JMB and 216, as vendors, and Mantle, as purchaser, as may be further amended;
- (hhhh) **“Purchase Money Obligations”** means any indebtedness incurred, assumed or owed by the Borrower as all or part of, or incurred or assumed by the Borrower to provide funds to pay all or part of the purchase price of any property or assets acquired by the Borrower;
- (iiii) **“Purchased Pits”** means the gravel and aggregate pits located on the Lands;
- (jjjj) **“Reclamation Obligations”** means the reclamation and remediation obligations in respect of the Aggregate Pits under the EPEA and the PLA;
- (kkkk) **“Related Person”** in relation to any Person means a subsidiary, affiliate, associate, employee or partner of such Person, or an associate of such employee (the terms “subsidiary”, “affiliate” and “associate” having the respective meanings ascribed thereto in the Canada *Business Corporations Act*;
- (llll) **“Relevant Jurisdiction”** means, from time to time, with respect to a Person that is granting Security hereunder, any province or territory of Canada or state of the United States of America in which such Person is incorporated or formed, has its chief executive office or chief place of business or has Collateral and, for greater certainty, includes the provinces set out in Schedule H;
- (mmmm) **“Remaining Fiera Equipment”** means the Fiera Equipment that is not sold to Persons other than the Borrower during the SISP or to be retained by a Loan Party;
- (nnnn) **“Retained Fiera Equipment Amount”** means the aggregate Appraised Equipment Value of all Fiera Equipment which any Loan Party elects, in its sole discretion, to retain;
- (oooo) **“Sale”** means each sale by the Borrower of the Fiera Equipment in a commercially reasonable manner that is acceptable to the Lender, acting reasonably;
- (pppp) **“Security”** means any security or security documentation (including any evidences of debt) as more fully described in Section 11 hereof, granted by a Loan Party to the Lender (including, for certainty, the Security to be delivered by a Subsidiary pursuant to Section 14(ii)) to secure the Indebtedness, and includes any amendments thereto or renewals or substitutions thereof;
- (qqqq) **“SISP”** means the Court approved sale and investment solicitation process to market and sell the property and assets of JMB;
- (rrrr) **“SISP Equipment Disposition Amount”** means the aggregate net proceeds of sale of any Fiera Equipment under the SISP or during the CCAA Proceedings to one or more Persons other than the Borrower;
- (ssss) **“Subsidiary”** of any Person means any other Person of which Capital Stock or other Equity Interests having ordinary voting power to elect a majority of the board of directors or other individuals performing comparable functions, or which are entitled to or represent more than 50% of the owners’ Capital Stock or other

Equity Interests or entitlement to profits, are owned beneficially or controlled, directly or indirectly, by any one or more of that first Person and the Subsidiaries of that first Person, and includes any other Person in like relationship to a Subsidiary of that first Person;

- (tttt) **“Term Sheet”** means that certain letter dated July 20, 2020, delivered on behalf of the Lender to the Borrower prior to the date hereof, and any amendments thereto or substitutions therefore, a copy of which is attached hereto and marked as Schedule D;
- (uuuu) **“Third Party”** means a Person other than the Borrower, the Guarantors, the Lender or any Affiliate thereof;
- (vvvv) **“Total Senior Funded Debt”** means all Funded Debt other than Permitted Future Subordinated Debt, including, without limitation, any operating debt, short term debt, senior long term debt, and all financial contingent obligations (including without limitation, financial guarantees, capitalized interest, and obligations pursuant to any Finance Leases); provided that for the purposes of this definition (i) at all times, it shall exclude Indebtedness under Facility C and Facility D, and (ii) for any time up to and including December 31, 2023, it shall exclude the principal amount then outstanding under Facility B, but for all periods and thereafter, it shall include the net present value (as determined in accordance with GAAP using a discount rate equivalent to the Interest Rate) of the principal amount then outstanding under Facility B;
- (wwww) **“Toxic Substance”** shall mean and include any material present on the Real Property or the Leasehold Interests which has been shown to have significant adverse effect on human health or which is subject to regulation under applicable Environmental Laws; and
- (xxxx) **“Transaction”** has the meaning set out in the Recitals to this Agreement.

2. Preamble, Schedules, and Amendment and Restatement

The parties hereby confirm and ratify the matters contained and referred to in the Preamble to this Agreement and agree that the Schedules attached hereto are expressly incorporated into and form part of this Agreement.

Except as otherwise stated herein, as of the date hereof, the terms, conditions, covenants, agreements, representations and warranties set forth in the JMB Loan Agreements are hereby replaced and superseded in their entirety by the terms, conditions, covenants, agreements, representations and warranties set forth in this Agreement. The amendment and restatement contained herein, other than to the extent expressed hereunder, shall not, in any manner, be construed to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation in respect of, the indebtedness and other obligations and liabilities of the Loan Parties, as applicable, secured under or in connection with the JMB Loan Agreements or any of the Encumbrances and security interests securing such indebtedness and other obligations and liabilities, which shall not in any manner be impaired, limited, terminated, waived or released. The JMB Loan Agreements continue, up to the date hereof, to constitute a legal, valid and binding obligation of the Loan Parties, to which they are a party, enforceable against it in accordance with its terms.

3. Establishment of Credit Facilities and Advance

Subject to the terms and conditions of this Agreement, the following credit facilities are deemed to be fully advanced (collectively, the “**Credit Facilities**”) pursuant to advances from time to time to JMB under the JMB Loan Agreements:

- (a) a non-revolving facility (“**Facility A**”) with a fixed rate term option, in the principal amount equal to Three Million Five Hundred and Fifty Thousand (\$3,550,000) Dollars, which amount is inclusive of \$50,000 of the Commitment Fee Dollars, plus, to the extent applicable, the Retained Fiera Equipment Amount (collectively, the “**Facility A Principal**”);
- (b) a non-revolving facility (“**Facility B**”), non-interest bearing, available in the principal amount equal to Six Million One Hundred and Twenty Five Thousand (\$6,125,000) Dollars (the “**Facility B Principal**”);
- (c) a non-revolving facility (“**Facility C**”), non-interest bearing, available in a principal amount (the “**Facility C Principal**”) equal to the lesser of (i) the aggregate Appraised Equipment Value of the Fiera Equipment, less (A) the SISP Equipment Disposition Amount, and (B) the Retained Fiera Equipment Amount, and (ii) the Aggregate Equipment Sale Net Proceeds, which as of the date hereof is estimated to be Three Million Six Hundred Ninety Five Thousand Six Hundred Thirty (\$3,695,630) Dollars; and
- (d) a non-revolving facility (“**Facility D**”) with a fixed rate term option, in the principal amount equal to One Hundred and Fifty Thousand (\$150,000) Dollars (the “**Facility D Principal**”).

Each Credit Facility shall be evidenced by a promissory note made and delivered by the Borrower in favour of the Lender (each, a “**Promissory Note**”), and if not already delivered on or prior to the Closing Date, each such original Promissory Note may be provided on a post-closing basis within 30 days of the Closing Date. The Promissory Notes shall be dated as of the date hereof, shall be in the principal amount of each Credit Facility and shall bear interest, if applicable, at the Interest Rate as hereinafter provided. The Credit Facilities shall be deemed to have been already advanced by the Lender to the Borrower as follows:

- (i) \$11,818,944.71 (87.41%) by Fund V; and
- (ii) \$1,701,685.29 (12.59%) by Fund VI.

Any payment of Indebtedness pursuant to the provisions hereof shall be deemed to be made *pro rata* in proportion to the Advances outlined above.

4. Purpose

The Borrower acknowledges its assumption pursuant to the Plan of that portion of the indebtedness owing to the Lender under the JMB Loan Agreements equal to the aggregate of the Facility A Principal, the Facility B Principal, the Facility C Principal, and the Facility D Principal, that such amounts were fully advanced to JMB and were not repaid, such assumption does not constitute a repayment of such assumed indebtedness, and such assumption and the granting by the Lender to the Borrower of the Credit Facilities have facilitated the completion of the Transaction.

5. Evidence of Indebtedness

The Borrower acknowledges that the actual recording of the amount of any Advance or repayment thereof, and interest, fees and other amounts due in connection with the Credit Facilities, in the accounts maintained by the Lender, shall constitute *prima facie* evidence, absent manifest error, of the Borrower's indebtedness and liability from time to time under the Loan Documents; provided that the obligation of the Borrower to pay or repay any amounts in accordance with the terms and conditions of Loan Documents shall not be affected by the failure of the Lender to make such recording. The Borrower hereby acknowledges being indebted to the Lender for the principal amount outstanding from time to time under the Credit Facilities, and all accrued and unpaid issuance fees, interest, or other fees.

6. Repayment

The Borrower agrees to repay Facility A with interest as aforesaid calculated daily not in advance, as follows:

- (a) provided there has occurred no Event of Default that is continuing, interest only payments at the Interest Rate for Twenty-Four (24) months on a quarterly basis following the Closing Date (the "**Interest-Only Period**");
- (b) blended monthly payments of principal and interest at the Interest Rate for Seventy-Two (72) months following the Interest-Only Period, all as more particularly specified in the amortization and payment schedule set out in the attached Schedule E; and
- (c) all other amounts outstanding with respect to Facility A pursuant to this Agreement or the Security, plus any interest and fees in connection therewith, shall be due and payable on the Maturity Date.

The Borrower agrees to repay Facility B in monthly payments commencing Twelve (12) months following the Closing Date based on \$1 per tonne of Aggregate sold by the Borrower to Third Parties, which such sum shall increase on each subsequent anniversary of the Closing Date by a rate of 2% per annum compounding annually; such monthly payments shall be payable Fifteen (15) days following the end of each month after commencement on the basis of the proceeds of such sales actually received in the last month by the Borrower, and shall continue until the Maturity Date, at which such time the Facility B Principal shall be due and payable in full.

The Borrower agrees to repay Facility C from time to time from the proceeds of any Sale of the Remaining Fiera Equipment, net of such reasonable costs associated with or incurred in such Sale as approved by the Lender and any Post-First Anniversary Maintenance Costs described in Section 14(g)(ii), and to remit, or authorize the Lender to debit from its account, as applicable, such net proceeds to the Lender, within Fifteen (15) days following the end of each month after commencement on the basis of the proceeds of such sales actually received in the last month by the Borrower; provided that in the event (i) the amount of such net sale proceeds in the aggregate does not then exceed \$1,000, no such payment shall then be required and instead shall be deferred until the next date of payment and (ii) in the event that such net sale proceeds at any time prior to such payment date exceeds \$500,000 or includes net proceeds of the sale of the last piece of the Fiera Equipment, the Borrower shall make an interim payment of such net sale proceeds within Five (5) days. Upon the Sale of the last piece of Fiera Equipment and repayment of the net proceeds thereof in accordance with this provision, the Facility C Principal shall be deemed to be repaid in full. For certainty, if the aggregate of all proceeds

realized on the Sales exceeds the Facility C Principal, the Lender shall be entitled to retain the full benefit of such proceeds.

The Borrower agrees to repay Facility D with interest as aforesaid calculated daily not in advance, as follows:

- (a) quarterly payments of interest at the Interest Rate for Eighteen (18) months following the Closing Date, all as more particularly specified in the amortization and payment schedule set out in the attached Schedule E; and
- (b) the Facility D Principal Amount, and all other amounts outstanding with respect to Facility D pursuant to this Agreement or the Security, plus any interest and fees in connection therewith, shall be due and payable on the Facility D Maturity Date.

Without in any way limiting the foregoing, and notwithstanding anything contained herein, the parties hereto expressly acknowledge, covenant and agree that any net proceeds from the sale of any JMB Dispositions and/or 216 Dispositions shall be immediately payable and transferred to the Lender upon receipt, to be applied against the then outstanding Indebtedness to the Lender, in accordance with Section 8 herein.

Each of the Loan Parties further acknowledge, covenant and agree that any and all net proceeds from the sale of Surface Material Lease No. 060060 in favour of 216 located within SW-13-65-18-W4M, shall be immediately payable and transferred to the Lender upon receipt, to be applied as follows:

- (a) *firstly*, up to One Hundred Thousand (\$100,000) Dollars (the “**Economic Cost**”) to be applied by the Lender towards any costs, fees, and disbursements incurred in relation to this Agreement and the CCAA Proceedings; and
- (b) *secondly*, the remainder of the sale proceeds in excess of the Economic Cost to be applied towards the outstanding Indebtedness under the Credit Facilities, to be allocated to the Credit Facilities as mutually agreed to between the Borrower and the Lender.

7. Interest

- (a) The Borrower agrees to pay interest on the unpaid Facility A Principal Amount and Facility D Principal Amount outstanding from time to time from the Closing Date until repayment in full of such Facility A Principal Amount or Facility D Principal Amount, respectively, at a rate per annum (calculated on the basis of a 365/366 day year), equal to the Interest Rate. Interest at such rate shall be payable monthly, or quarterly, as applicable, and as more particularly specified in the amortization and payment schedule set out in the attached Schedule E both before and after demand, default, maturity and the obtaining of any judgment by the Lender against the Borrower and all interest on becoming overdue shall be treated, as to payment of further interest, as principal and shall bear compound interest at the rate payable with respect to Facility A and Facility D both before and after the obtaining of any judgment by the Lender against the Borrower to the extent permitted by Applicable Law.
- (b) Notwithstanding anything to the contrary hereinbefore or hereinafter contained in the Loan Documents or any of them, the parties hereto expressly acknowledge, covenant and agree that:

- (i) the Loan Documents shall not constitute an agreement or arrangement whereby or pursuant to which the Lender would or will receive Interest on an Advance at a Criminal Rate of Interest;
 - (ii) this Agreement shall at all times be construed, interpreted and, to the extent required, deemed to have been amended to reflect and provide that the maximum Interest that the Lender is and shall be entitled to charge and receive in respect of the Advance shall be 1/10th of 1% less than the Criminal Rate (the “**Maximum Allowable Interest**”);
 - (iii) no payment or partial payment of interest on the Credit Facilities shall be in excess of the Maximum Allowable Interest;
 - (iv) any payment of Interest made by the Borrower on account of the Credit Facilities that would be in excess of the Maximum Allowable Interest or would otherwise be deemed to be at a Criminal Rate shall, in respect of the amount that is in excess of the Maximum Allowable Interest or is at a Criminal Rate, be deemed to be held in a suspense account, with the applicable Maturity Date being extended as necessary to make such payment less than the Maximum Allowable Interest; and
 - (v) for the purposes hereof, “Criminal Rate” and “Interest” shall have the meaning specified in the *Criminal Code of Canada*.
- (c) For purposes of the *Interest Act* (Canada) (A) whenever a rate of interest hereunder is calculated on the basis of a year (the “deemed year”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year; (B) the principal of deemed reinvestment shall not apply to any interest calculation hereunder; and (C) the rates of interest quoted by Lender to the Borrower pursuant hereto are intended to be nominal rates and not effective rates or yields.
- (d) Notwithstanding any other provision to the contrary herein, if the Borrower fails to pay any amount of principal, interest or other amount payable hereunder on the due date for any such amount (a “**Payment Failure**”), then during the occurrence and continuance of such Payment Failure, interest on such overdue amount shall accrue at a rate equal to the Interest Rate plus 2% per annum to the maximum extent permitted by Applicable Law (i) calculated and accruing daily from and including such due date up to but excluding the date of actual payment, both before and after demand, default or judgment, (ii) compounded monthly on the first Business Day of each calendar month with the amount of such accrued interest being added to the outstanding principal amount on such Business Day; and (iii) shall be payable by the Borrower on the earlier of: (a) the date on which the Borrower has remedied such Payment Failure, (b) the date on which the Indebtedness has been paid in full, and (c) the Maturity Date or Facility D Maturity Date, if and as applicable.

8. Prepayment

Provided no Event of Default has occurred and is continuing, the Borrower shall have the ability:

- (a) to prepay all (and only all) of the Indebtedness outstanding at any time in relation to Facility A by provision of thirty (30) days' notice and payment of the Interest Rate Differential;
- (b) to prepay some or all of the Indebtedness outstanding at any time in relation to Facility B, Facility C, and Facility D in accordance with the payment process set forth in Section 9 below for such Credit Facilities, without any further notice, bonus or penalty,

provided however, that any partial prepayment shall in no way release the Borrower from its obligation to make any payments required pursuant to the provisions of the Security or this Agreement.

9. Payment Process

All sums to be paid to the Lender in respect of Facility A and Facility D pursuant to this Agreement, whether for principal, interest or otherwise, shall be paid to the Lender by way of pre-authorized withdrawal. The Borrower has provided the Lender with an executed pre-authorized debit form to allow the Lender to charge all the payments due and payable under this Agreement.

All sums to be paid to the Lender in respect of Facility B and Facility C pursuant to this Agreement, whether for principal, interest or otherwise, shall be paid to the Lender by way of an authorization and direction from the Borrower specifying the date and the amount of the applicable payment and permitting the Lender to withdraw the amount of any such payment to the Lender. The Borrower will from time to time provide such further authorization or other authorization or direction as required to allow the Lender to charge or be paid, as applicable, all the payments due and payable under this Agreement within the time specified for such payment in Section 6.

10. Fees

The Borrower shall pay to the Lender, on or prior to the date of the Closing Date, \$45,000 of the Commitment Fee in respect of the Credit Facilities (less any non-refundable upfront portion of the Commitment Fee which has been previously paid by the Borrower prior to the Closing Date as acknowledged and received by the Lender). The remaining \$50,000 of the Commitment Fee shall be added to and form part of the Facility A Principal and shall be payable during the course of this Agreement as such.

11. Security

To secure the due and punctual payment of the Indebtedness, and to secure the due and punctual performance of each of the Loan Parties' and the Parent Group's obligations and covenants hereunder, each of the Loan Parties and the Parent Group have, as applicable, executed, or shall execute and deliver, or cause to be executed and delivered to or assigned in favour of the Collateral Agent, or the Lender, as required herein, the Security.

The Security includes the following documents and instruments in favour of the Collateral Agent or Lender, as applicable, all in form and substance satisfactory to the Lender and subject only to Permitted Encumbrances:

- (a) an amended and restated collateral agency agreement among the Lender, the Borrower, and the Guarantors, amending and restating the Existing Collateral Agency Agreement in its entirety;
- (b) a general security agreement from Mantle in favour of the Lender granting a first ranking security interest in all of its present and after-acquired property, assets and undertaking;
- (c) an unlimited guarantee from JMB in respect of the Borrower's Indebtedness owing to the Lender;
- (d) a general security agreement from JMB in favour of the Lender granting a first ranking security interest in all of its present and after-acquired property, assets and undertaking;
- (e) an unlimited guarantee from 216 in respect of the Borrower's Indebtedness owing to the Lender;
- (f) a general security agreement from 216 in favour of the Lender granting a first ranking security interest in all of its present and after-acquired property, assets and undertaking;
- (g) an assignment of Material Agreements granted by the Borrower and Guarantors in favour of the Lender, in respect of, without limitation, each aggregate royalty agreement to which a Loan Party is a party, together with the interest in the Lands subject thereto created thereby, including the aggregate royalty agreements identified in Schedule G hereto;
- (h) acknowledgments or notices, as required by the Lender, of the assignment of Material Agreements set forth in Subsection 11(e), from each of the landlords under the aggregate royalty agreements identified in Schedule G hereto;
- (i) a mortgage of lease granted by JMB in favour of the Collateral Agent in respect of certain surface material leases granted by the Crown to JMB, including those surface material leases identified in Schedule G hereto held by JMB (the "**JMB SMLs**");
- (j) conditional surrender of leases granted by JMB in favour of the Collateral Agent in respect of the JMB SMLs;
- (k) a mortgage of lease granted by 216 in favour of the Collateral Agent in respect of certain surface material leases granted by the Crown to 216, including those surface material leases identified in Schedule G hereto held by 216 (the "**216 SMLs**");
- (l) conditional surrender of leases granted by 216 in favour of the Collateral Agent in respect of the 216 SMLs;

- (m) a memorandum of agreement among Her Majesty the Queen in right of the Province of Alberta, as represented by Alberta Environment and Parks, and the Collateral Agent;
- (n) landlord waivers and other inter-creditor agreements as may be required by the Lender, including, without limitation, in respect of the Bonnyville Lease; provided that the Loan Parties shall only be required to use commercially reasonable efforts to obtain such agreement;
- (o) a postponement and assignment of creditor's claims and postponement of security executed by each shareholder of the Borrower and/or member of the Parent Group;
- (p) a limited recourse guarantee and pledge of all Equity Interests of the Loan Parties that are owned by the Parent Group, pledged by the Parent Group in favour of the Lender, with all stock transfer power of attorneys in respect thereof endorsed in blank;
- (q) a pledge of all Equity Interests of the Loan Parties that are owned by JMB, pledged by JMB in favour of the Lender, with all stock transfer power of attorneys in respect thereof endorsed in blank;
- (r) an assignment of insurance granted by the Borrower and Guarantors in favour of the Lender;
- (s) a certificate of insurance/binder letter showing the Lender as first loss payee pursuant to the Standard Mortgage Clause provisions;
- (t) a blocked accounts agreement with The Toronto-Dominion Bank in respect of the Borrower's deposit accounts, in form satisfactory to the Lender, acting reasonably;
- (u) a priority agreement among the Borrower, the Guarantors, the Lender and ATB Financial; and
- (v) such other security against the property and assets of the Loan Parties as may be reasonably required by the Lender,

provided that each of the Security in subsections (h), (n), (t) and (u), may be provided on a post-closing basis, in the case of subsections (h), (n) and (t) within 90 days of the Closing Date and in the case of subsection (u), within 30 days of the Closing Date, in any case, using commercially reasonable efforts. With the respect to the share certificate(s) of JMB required to be delivered to the Lender in connection with subsection (p), such share certificates shall be provided to the Lender or its counsel on a post-closing basis, within 10 days of the Closing Date; provided that to the extent the Planned Reorganization becomes effective prior to the delivery of such JMB share certificate(s) required to be delivered pursuant to subsection (p), delivery of replacement share certificate(s) to the Lender will instead be required within 10 days of the Planned Reorganization, in accordance with Section 15(p) herein.

The Loan Parties and the Parent Group will from time to time at their expense duly authorize, execute and deliver to the Lender such further instruments and documents and take such further action as the Lender or Collateral Agent, as applicable, may reasonably request for the purpose of obtaining or preserving the full benefits granted or intended to be granted to the Lender or Collateral Agent, as applicable, pursuant to the Security and of the rights and

remedies therein granted to the Lender or Collateral Agent, as applicable, including without limitation, the filing of financing statements or other documents under any Applicable Law with respect to the liens created thereby. Unless prohibited by Applicable Law, each of the Loan Parties and Parent Group authorize the Lender or Collateral Agent to file any such financing statement or similar documents without the signature of such Loan Party or Parent Group.

The Loan Parties and Parent Group acknowledge that changes to Applicable Law may require the execution and delivery of different forms of documentation and accordingly the Lender or Collateral Agent, as applicable, shall have the right to require that the Security be amended, supplemented or replaced (and the applicable Loan Party or Parent Group shall duly authorize, execute and deliver to the Lender or Collateral Agent, as applicable, on request any such amendment, supplement or replacement with respect to the Security to which such Loan Party or Parent Group is a party): (i) to reflect any change in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise; or (ii) to facilitate the creation and registration of appropriate forms of security in all applicable jurisdictions.

To the extent any of the Loan Parties have previously executed certain Loan Documents in favour of the Lender or Collateral Agent pursuant to the JMB Loan Agreements, each of them (i) reaffirms and agrees that the security interests granted under each such Loan Document to which it is a party are continuing, with the ranking that it is expressed to have (as applicable), continue as collateral security for the prompt and complete payment when due (whether at stated maturity, by acceleration or otherwise) of all Obligations under the Credit Facilities and are and shall remain in full force and effect, except as amended hereby, and (ii) acknowledges and reaffirms all Obligations owing by each of them to the Lender under the Loan Documents as amended hereby.

12. Conditions Precedent and Effectiveness

The effectiveness of this Agreement is subject to and conditional upon the prior satisfaction of the following conditions precedent:

- (a) at or prior to the Closing Date, no Event of Default shall have occurred and be continuing;
- (b) the Borrower shall have obtained from the Court:
 - (i) a sale approval and vesting order from the Court in respect of the Transaction vesting in the Borrower the property and assets purchased pursuant to the Purchase Agreement free and clear of all Encumbrances other than Permitted Encumbrances;
 - (ii) an order vesting all Remaining JMB Assets and Remaining JMB Liabilities (as such terms are defined in the Purchase Agreement) in 216, but subject to any Encumbrances attaching thereto; and
 - (iii) an order sanctioning the Plan;
- (c) the Lender shall have received this Agreement, the other Loan Documents (including, without limitation the Security in Section 11 and any necessary consents or subordinations of third parties as may be required by the Lender) and all other documentation related hereto and thereto duly executed and delivered by the Loan Parties and in form and substance satisfactory to the Lender and its legal counsel;

- (d) the Lender shall have received the Purchase Agreement, the Plan and all other documentation related thereto and to the Transaction duly executed and delivered by the Loan Parties, in form and substance satisfactory to the Lender and its legal counsel;
- (e) the Lender shall have first ranking security over all Property of the Loan Parties pursuant to the Security, subject only to Permitted Encumbrances, and the Loan Documents (other than those expressly permitted to be delivered or registered on a post-closing basis) shall have been registered, recorded or filed in all jurisdictions deemed necessary by the Lender and its legal counsel;
- (f) the Lender shall have received certificates representing all Pledged Securities and endorsements executed in blank relating to those certificates;
- (g) the Lender shall have received an undertaking from the Parent Group committing to make a minimum \$3,500,000 cash equity contribution to the Borrower by the first anniversary of the Closing Date, or by such other date or amount as may be agreed to in writing by the Borrower, the Parent Group and the Lender;
- (h) the Lender shall have received payment in full from the Borrower of all reasonable legal fees and out of pocket expenses of legal counsel to the Lender, up to the amount of One Hundred Thousand (\$100,000) Dollars, which have become due in respect of the preparation of the loan documentation in connection with the Credit Facilities (for greater certainty such legal fees shall not include any legal fees of the Lender in connection with the CCAA Proceedings), and the Lender shall have received payment in full from the Borrower the balance of the Commitment Fee;
- (i) at the Lender's discretion, but subject to Permitted Encumbrances, the Lender shall have received from all of the secured creditors who have registered against a Loan Party pursuant to the PPSA appropriate discharges or acknowledgments in favour of the Lender, in a form acceptable to the Lender, specifying the collateral which is the subject matter of such registration in its favour;
- (j) the Lender shall have completed to its satisfaction (at its sole and absolute discretion) its due diligence of the Loan Parties and be reasonably satisfied with, without limitation: (i) the organizational, legal, management and capital structure of the Loan Parties, (ii) the nature and status of all insurance, material contractual obligations, securities, labour, tax, employee benefit (including pension plan), regulatory and environmental and health and safety matters, (iii) the structure, steps in connection with and tax effect of any transactions contemplated by this Agreement, (v) anti-money laundering due diligence in respect of the Loan Parties, and (vi) any other matters involving or affecting any Loan Party as is required to be disclosed in this Agreement as at the Closing Date, and in connection therewith, the Lender shall have received true and complete copies of all relevant documents relating thereto;
- (k) the Lender shall have received copies of all Leases between the Loan Parties and their landlords in respect of the premises operated by it and the Lender shall be satisfied with them in its sole discretion;
- (l) the Loan Parties shall have delivered or cause to be delivered to the Lender, as requested by the Lender, all documentation and other information required under

Anti-Terrorism Laws by any Governmental Authority including, without limitation, “know your customer” rules and regulations;

- (m) the Loan Parties, as applicable, shall have delivered to the Lender and their solicitors in form and substance satisfactory to the Lender, acting reasonably:
 - (i) a certificate of each Loan Party, certifying as to its constating documents and bylaws (copies of which shall be attached to such certificate), a list of its officers and directors with specimens of the signatures of those who are executing Loan Documents on its behalf, and the corporate or equivalent proceedings taken to authorize it to execute, deliver and perform its obligations under the Loan Documents and such other corporate information as the Lender may reasonably require;
 - (ii) a certificate of status, compliance, good standing or similar certificate for the jurisdiction of incorporation of each Loan Party and for each jurisdiction where any such Loan Party carries on business or where registrations or filings in relation to the Security made by that Loan Party have been effected;
 - (iii) currently dated opinions, addressed to the Lender in form and substance satisfactory to the Lender and Lender’s counsel, acting reasonably and in accordance with customary opinion practise, from counsel for the Loan Parties, and such other local counsel to the Loan Parties as the Lender may reasonably require and opining to such matters as the Lender or its solicitors may require; and
 - (iv) such additional supporting documents as the Lender or its counsel may reasonably request;
- (n) the Lender shall have received certificates of insurance or other evidence that the covenants and conditions of the Loan Documents concerning insurance coverage are being complied with;
- (o) the Loan Parties (as at such time) shall have delivered to the Lender a certificate signed by an authorized officer of each Loan Party to the effect that as at the date of the Closing Date:
 - (i) all of the representations and warranties of the Loan Parties herein shall be true and correct on and as of the Closing Date as though made on and as of such date; and
 - (ii) no other event shall have occurred that, in the Lender’s sole discretion, materially adversely affects or could have a Material Adverse Effect.
 - (iii) all conditions precedent contained in this Agreement and the other Loan Documents to be observed or performed by the Loan Parties have been observed or performed; and
 - (iv) at or prior to the Closing Date, no Event of Default shall have occurred and be continuing;
- (p) all necessary governmental and third party consents and approvals necessary in connection with this Agreement and the transactions contemplated hereby,

including the Transaction, shall have been obtained (in form and substance reasonably acceptable to the Lender) and shall remain in effect. All applicable government filings shall have been made and all applicable waiting periods shall have expired without in either case any action being taken by any competent authority; and no law or regulation shall be applicable in the judgement of the Lender that restrains, prevents or imposes materially adverse conditions upon this Agreement or the transactions contemplated hereby;

- (q) the Lender must have received consents that are required from the directors, shareholders, partners or members of the Loan Parties, either in connection with the pledges of Pledged Securities or in connection with any disposition of the Pledged Securities upon enforcement of the Security; and
- (r) the Lender having received all fees required pursuant to the Term Sheet.

13. [Intentionally Deleted]

14. Affirmative Covenants

Each Loan Party covenants and agrees that they each shall:

- (a) with respect to the Borrower, it will duly and punctually repay to the Lender amounts owing pursuant to the Credit Facilities and interest thereon, as applicable, as provided in this Agreement and all other sums payable pursuant to the terms of this Agreement, on the dates, at the places, in the monies and in the manner provided for in the Loan Documents;
- (b) perform, observe and comply at all times with the covenants, terms, conditions, stipulations and provisos of the Loan Documents and other reasonable requirements stipulated by the Lender from time to time;
- (c) upon request of the Lender, execute and deliver or cause to be executed and delivered to the Lender such further and other documents, agreements, opinions, conveyances, mortgages, assignments, pledges and assurances from time to time as the Lender or its solicitors may reasonably require for the purpose of protecting or perfecting the Security, including any after acquired property whether or not now charged under the Security, all to be in such form and to contain such terms and conditions as may be required by the Lender's solicitors;
- (d) fully and effectually maintain and keep maintained the Security hereby created as valid and effective security at all times;
- (e) execute as required, and deliver to the Lender such other instruments of security, assurances and documentation as the Lender may require in accordance with the terms and conditions of Loan Documents, including, but not limited to, agreements for the benefit of the Lender from landlords of leased Premises designated by the Lender in which any Loan Party carries on business and from counterparties to material contracts and material permits designated by the Lender, all of which instruments of security, evidences of indebtedness and documents shall be in such form and shall contain such terms and conditions as may be required by the Lender's solicitors;
- (f) repair and keep in repair and good order and condition all buildings, erections, machinery and other plant and equipment and appurtenances thereto, the use of

which is necessary or advantageous in connection with its business, up to a modern standard of usage and maintain the same consistent with the best practice of other corporations having similar undertakings; renew and replace all and any of the same which may be worn, dilapidated, unserviceable, obsolete, inconvenient or destroyed or may otherwise require renewal or replacement and at all reasonable times allow the Lender or its representative access to its premises in order to view the state and condition the same are in and in the event of any loss or damage thereto or destruction thereof, the Lender may give notice to the Borrower to repair, rebuild, replace or reinstate within a time to be determined by the Lender and to be stated in such notice and upon such Loan Party failing to so repair, rebuild, replace or reinstate within such time, such failure shall constitute default hereunder, and will keep all of its assets in good condition and repair and maintain and replace as required according to the nature thereof;

- (g) store and maintain in current condition the Remaining Fiera Equipment at the Borrower's premises located in the Town of Bonnyville, in the Province of Alberta, other than Remaining Fiera Equipment currently located in Washington State which shall be stored at an acceptable location in Washington State determined by the Borrower and the Lender (acting reasonably), and maintain casualty and property insurance in respect of the Remaining Fiera Equipment in amounts not less than the Appraised Equipment Value, provided that:
 - (i) commencing on the first anniversary of the Closing Date, any reasonable costs incurred by the Borrower thereafter to maintain, insure and/or provide security for the Remaining Fiera Equipment (such costs, after the first anniversary of the Closing Date, being "**Post-First Anniversary Maintenance Costs**") shall be the responsibility of the Lender and shall be reimbursable from amounts payable to the Lender under Facility C in the manner described in Section 6; and
 - (ii) in the event that it is not possible for the Borrower to obtain casualty and property insurance in respect of the Remaining Fiera Equipment, the Remaining Fiera Equipment shall be at the risk of the Lender provided that the Borrower makes commercially reasonable arrangements for security of such Remaining Fiera Equipment;
- (h) the Borrower shall employ reasonable commercial efforts to sell the Remaining Fiera Equipment in a commercially reasonable manner that is acceptable to the Lender, acting reasonably;
- (i) keep in good repair and free from all Encumbrances, other than the Security and Permitted Encumbrances, of any nature whatsoever any and all Chattels which are now or which may in the future be used either directly or indirectly in the operations and business of the Loan Parties;
- (j) duly and punctually pay all debts and obligations to or on behalf of or in respect of workmen, employees and others which, if unpaid, might under the laws of Canada or of the Provinces of Alberta or British Columbia (or the equivalent legislation applicable in the State of Washington) priority over the Security hereby created or any part thereof;
- (k) promptly pay the full amount of:

- (i) any reasonable charges by or expenses of the Lender in inspecting, protecting or valuing each Loan Party's assets;
- (ii) all costs, fees, disbursements, charges and expenses, including all reasonable legal fees and disbursements incurred by the lender as between a solicitor and its own client in connection with the Credit Facilities, the preparation, execution and registration as appropriate, of any Loan Document; in investigating or perfecting title to each Loan Party's assets and the capacity of each Loan Party to borrow the money secured hereby; in preparing and registering the Security, and all documents incidental or collateral hereto; in advancing any portion of the monies secured under the Security, in taking, recovering and keeping or attempting to procure possession of each Loan Party's assets or any part thereof; in enforcing or attempting to enforce the personal remedies or any other remedies available under the Security; in collecting or attempting to collect any of the monies secured under the Security; in realizing or attempting to realize on any Security collateral hereto; in any foreclosure or other proceedings, judicial or otherwise, to protect each Loan Party's assets or to realize on the Security or any part thereof; or in connection with any receivership and if a solicitor is retained in connection with any of the foregoing, such solicitor's fees and disbursements shall be paid on a solicitor and his own client basis and, at the option of the Lender, on the basis of a lump sum bill; and if any other professional person or firm is retained or employed such person's or firm's fees shall be paid on the basis of his or its normal professional charges; and
- (iii) all other reasonable costs and expenses of the Lender incurred in connection with the Credit Facilities;
- (l) pay or cause to be paid all sums that become due by a Loan Party to any person, subject to the obligation of such Loan Party to make payments to the Lender hereunder;
- (m) pay or cause to be paid all business taxes as and when the same become payable and upon request produce to the Lender receipts thereof;
- (n) make or cause to be made all payments required pursuant to any mortgage, charge or Encumbrance which has priority to any of the Security;
- (o) subject to Section 141(g)(ii), maintain insurance on all of its assets and properties with financially sound and reputable insurance companies against such perils as is usual with corporations holding similar assets and properties and in an amount not less than their full insurable value, as required by the Term Sheets, and is acceptable to the Lender and its solicitors and provide proof of same to the Lender;
- (p) maintain public liability insurance with financially sound and reputable insurance companies as is usual for corporations conducting businesses similar to the Borrower and as is acceptable to the Lender and its solicitors and provide proof of same to the Lender;

- (q) forthwith upon request furnish at its own expense, a certificate of a competent appraiser or other competent person selected by the Lender as to the sufficiency or otherwise of any insurance and as to the type and amount thereof;
- (r) provide upon request any information, whether financial or otherwise, which the Lender may reasonably require from time to time;
- (s) keep adequate records and books of account in accordance with Generally Accepted Accounting Principles and permit, upon reasonable notice by the Lender to the Borrower, the Lender by its agents, accountants and solicitors to enter upon the premises of a Loan Party and examine such Loan Party's records and books of account and make extracts therefrom and to discuss the records and books of account with officers of such Loan Party at such reasonable times as may be required by the Lender;
- (t) upon reasonable notice by the Lender to the Borrower, permit the Lender its servants and agents, to enter at all reasonable times into and upon the Lands and premises owned or occupied by a Loan Party and view the state and condition thereof and of all such Loan Party's Collateral;
- (u) give to the Lender prompt and immediate notice of any statement of claim, petition writ or other Court process, or distress or seizure that may affect a Loan Party, where such claim, petition writ or Court process advances claims or affects assets of Loan Party in an amount in excess of One Hundred Thousand (\$100,000) Dollars;
- (v) give written notice to the Lender of the occurrence of an Event of Default hereunder or of any other event which, with the giving of notice or the lapse of time, would constitute an Event of Default hereunder, forthwith upon the happening of such occurrence and provide the Lender with details of the action taken or proposed to be taken such Loan Party to remedy same;
- (w) maintain its corporate existence and do all such acts as are required in order to permit it to legally carry on its business;
- (x) carry on and conduct the business of the Loan Parties in a proper and efficient manner;
- (y) **[Intentionally Deleted]**
- (z) do, observe and perform or cause to be done, observed and performed all of its obligations and all matters and things necessary or expedient to be done, observed or performed under or by virtue of any law of Canada or any province or municipality thereof, including, but not limited to, any law pertaining to workplace health and safety and Environmental Laws;
- (aa) ensure that the Lands remain in compliance with all Environmental Laws and shall not place or permit to be placed any Hazardous Substances on the Lands except as permitted by Applicable Law or an appropriate Governmental Authority;
- (bb) shall maintain a system to assure and monitor continued compliance with all applicable Environmental Laws which system shall include periodic review of such compliance and maintain current all environmental remediation payments;

- (cc) (A) employ in connection with the use of the Lands appropriate technology necessary to maintain compliance with any applicable Environmental Laws and (B) dispose of any and all Hazardous Waste generated at the Lands only at facilities and with carriers that maintain valid permits under applicable Environmental Laws. The Loan Parties shall use their best efforts to obtain certificates of disposal, such as hazardous waste manifest receipts, from all treatment, transport, storage or disposal facilities or operators employed by the Loan Parties in connection with the transport or disposal of any Hazardous Waste generated at the Lands;
- (dd) in the event a Loan Party obtains, gives or receives notice of any release or threat of release of a reportable quantity of any Hazardous Substances at the Lands (any such event being hereinafter referred to as a “**Hazardous Discharge**”) or receives any notice of violation, request for information or notification that it is potentially responsible for environmental investigation, study, audit, remedial response, or cleanup order or decrees of environmental conditions at the Lands, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Lands or any Loan Party’s interest therein (any of the foregoing is referred to herein as an “**Environmental Complaint**”) from any Person, including any Governmental Authority responsible in whole or in part for enforcement of Environmental Laws where the Lands are located, then the Borrower shall, within five (5) Business Days, give written notice of same to the Lender, detailing facts and circumstances of which any Loan Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow the Lender to protect its security interest in the Lands and the Collateral and is not intended to create nor shall it create any obligation upon the Lender with respect thereto;
- (ee) respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in response thereto in order to safeguard the health of any Person and to avoid subjecting the Collateral or Lands to any Encumbrance;
- (ff) pay all statutory payroll source deductions when due and immediately advise the Lender of any source deductions that are unremitted;
- (gg) on request by the Lender, the Borrower shall give Canada Revenue Agency and other Governmental Authorities written authorization to disclose to the Lender the status of any priority claims;
- (hh) will pay all premiums and sums of money necessary in relation to any policy or policies of insurance maintained by a Loan Party as the same shall become due;
- (ii) within 10 Business Days of creating or acquiring any Subsidiary (or in the case of the Parent Group, any Subsidiary which carries on business in North America the same as, similar to or related to the Borrower’s business), the Borrower or the Parent Group, as applicable, will cause such Subsidiary to provide the Security required by Section 11 and such other Security as the Lender may reasonably require, in each case, in form and substance acceptable to the Lender, acting reasonably, together with such other supporting documentation and legal opinions as the Lender may reasonably require. The Borrower or the Parent Group, as applicable, will notify the Lender upon the creation or acquisition of

any new Subsidiary promptly upon the creation or acquisition thereof, and in any event, no later than 10 Business Days after any such creation or acquisition; and

- (jj) promptly cure or cause to be cured any defects in the execution and delivery of any of the Loan Documents or any defects in the validity or enforceability of any of the security agreements and at their expense (to the extent the Borrower was responsible for any such defect or default), execute and deliver or cause to be executed and delivered, all such agreements, instruments and other documents as the Lender may consider necessary or desirable, acting reasonably, for the foregoing purposes.

15. Negative Covenants

Each Loan Party covenants and agrees that it shall not, without the prior written approval of the Lender first had and received:

- (a) permit any material change in a Loan Party's business or operations;
- (b) except as it pertains to the Lands or the Fiera Equipment, sell or otherwise dispose of any of its assets – outside the ordinary course - by conveyance, transfer, lease or otherwise where net proceeds from any sale or disposition of assets unless:
 - (i) for a conveyance, transfer or lease less than Two Hundred Fifty Thousand (\$250,000.00) Dollars: the net proceeds of such conveyance, transfer or lease are reinvested in the business of the Loan Party within one hundred eighty (180) days; or
 - (ii) for a conveyance, transfer or lease equal to or greater than Two Hundred Fifty Thousand (\$250,000.00) Dollars: the Lender has provided prior approval for such conveyance, transfer or lease and no Event of Default has occurred or will result from such conveyance, transfer or lease;
- (c) sell or otherwise dispose of the Lands, or any portion thereof, by conveyance, transfer, lease or otherwise;
- (d) other than in relation to the Security, Permitted Future Finance Leases and Permitted Encumbrances, create, assume or permit to exist any Encumbrance on any of the Collateral;
- (e) at any time that:
 - (i) the Debt Service Coverage is less than 2:1, make any Distribution except with the express written consent of the Lender; and
 - (ii) the Debt Service Coverage is equal to or greater than 2:1, make any Distribution where an Event of Default has occurred and is continuing or the making of such Distribution would result in the occurrence of an Event of Default;

other than those Distributions which are made by payment in additional Equity Interests or are otherwise not paid or payable in cash;

- (f) make any payments or transfer any of their undertaking, properties, rights or assets to any person without due consideration which in any manner diverts, or could result in the diversion of, assets and/or opportunities of a Loan Party to such other person;
- (g) reduce its capital or make any distribution of assets (other than Distributions permitted under subsection (e) above);
- (h) redeem or purchase any of its present or future outstanding Equity Interests or otherwise retire or pay off any such Equity Interests;
- (i) do or suffer anything to be done whereby any policy or policies of insurance maintained by a Loan Party may become vitiated; if such Loan Party shall fail to insure or cause to be insured all of its assets or any part thereof, or to pay or cause to be paid the premiums with respect to such insurance or to deliver the policies or contracts as aforesaid or if the Lender receives notice of the intended cancellation of any such policy or contract, the Lender shall be entitled to insure all of its assets, provided however that the Lender shall not be bound to insure all of its assets or, in the event of insuring all of its assets to insure any other than the interest of the Lender only, or to see to the payment of the premiums on any policy or be liable or responsible for any loss arising out of any defect in any policy or failure of any insurance company to pay for any loss thereunder;
- (j) make a loan to or investments in any person (other than to another Loan Party);
- (k) lend any amount to any shareholder, director or officer of a Loan Party (other than to another Loan Party) or person whose relationship to them is non-arms-length as that term is defined in the *Income Tax Act* (Canada) or lend any amount to any other person, firm or corporation, other than in the ordinary course of such Loan Party's business;
- (l) other than in relation to the Loan Documents, become a guarantor of any obligation nor become endorser in respect of any obligation or otherwise become liable upon any note or obligation of any nature or kind whatsoever except for the benefit of the Lender;
- (m) surrender its Certificate of Incorporation, voluntarily wind up its business or take any other steps toward discontinuance of its business;
- (n) change its present Fiscal Year;
- (o) change its name, or the location of its place of business, if it has only one place of business, or its chief executive office without giving the Lender 30 days prior written notice;
- (p) merge, amalgamate or consolidate with or into any other person or corporation, or enter into any transaction or proceeding (whether by way of amalgamation, merger, winding-up, consolidation, arrangement, plan or arrangement, reorganization, transfer, sale, lease or otherwise) whereby any of their undertaking, properties, rights or assets would become the property of any other person or entity, or in the case of amalgamation, of the continuing corporation resulting therefrom, other than a merger, amalgamation, consolidation,

transaction or proceeding where the Borrower gives prior written notice thereof to the Lender and the effect thereof is that:

- (i) the Borrower sells all or substantially all of its assets, or the Parent Group ceases to be the holder of the Equity Interests in the Borrower; or
- (ii) the Borrower amalgamates with JMB (the “**Planned Reorganization**”),

provided that, in respect of subsections (i) and (ii) above, as applicable, the Lender is satisfied with the terms and structure thereof, and such purchaser of the assets, or the Person proposed to be the holder of the Equity Interests, if applicable, provides satisfactory evidence to the Lender (in its sole discretion) that it is financially and operationally able to perform or cause the performance of the terms reflected hereby and the Security contemplated herein, and/or the Parent Group, Loan Parties, and continuing corporation from the Planned Reorganization, as applicable, shall grant in favour of the Lender such new and/or replacement Security to the satisfaction of the Lender, including, without limitation, a reaffirmation and confirmation in respect of the Security, and a new limited recourse guarantee and pledge of equity interests with stock transfers endorsed in blank, and deliver replacement share certificates in respect thereof within 10 days of the Planned Reorganization (“**Permitted Restructuring**”);

- (q) destroy any of its material financial records;
- (r) enter into any contract or arrangement of any nature or kind which would, or would reasonably be expected to, materially adversely affect the Borrower’s assets and the Security;
- (s) make unfinanced capital expenditures in any Fiscal Year in excess of the sum of Two Hundred Fifty Thousand (\$250,000) Dollars;
- (t) during the term of this Agreement, have Purchase Money Obligations or Finance Lease Obligations having annual payment obligations of more than \$2,000,000.00 in the aggregate without prior written consent of the Lender;
- (u) remove any Chattels forming part of each Loan Party’s assets from the Provinces of Alberta or British Columbia;
- (v) permit a Loan Party to default in its obligations pursuant to any Material Agreement which is not waived or, if applicable, cured within the permitted time period provided under such Material Agreement;
- (w) incur or repay any Funded Debt, other than pursuant to or as otherwise expressly permitted under this Agreement, except for Funded Debt secured by the Permitted Encumbrances or any arm’s length trade debts, obligations or other liabilities incurred in the ordinary course of business; and
- (x) do any other act that by the terms of the Loan Documents it is not permitted to do unless the applicable term of such Loan Document is inconsistent with the terms hereof.

16. Financial Covenants

During the term of this Agreement, the Borrower covenants with the Lender that commencing April 1, 2022:

- (a) the ratio of Total Senior Funded Debt to EBITDA shall at all times within such specified period, but tested on a rolling four quarter and consolidated basis, be equal to or less than:
 - (i) for the rolling four fiscal quarters ending June 30, 2022, 10.0:1;
 - (ii) for the rolling four fiscal quarters ending September 30, 2022, 6.0:1;
 - (iii) for the rolling four fiscal quarters ending December 31, 2022, 4.0:1
 - (iv) for the rolling four fiscal quarters ending March 31, 2023 and thereafter, 3.5:1;
- (b) the ratio of Debt Service Coverage shall at all times, but tested on a rolling four quarter and consolidated basis, be equal to or greater than:
 - (i) for the rolling four fiscal quarters ending June 30, 2022, 0.50:1;
 - (ii) for the rolling four fiscal quarters ending September 30, 2022, 0.75:1;
 - (iii) for the rolling four fiscal quarters ending December 31, 2022 and thereafter, 1.25:1; and
- (c) the Current Ratio shall at all times, but tested on a quarterly basis, be equal to or greater than:
 - (i) as at June 30, 2022, 1.00:1;
 - (ii) as at September 30, 2022 and all periods thereafter, 1.25:1.

Provided the Borrower remains in compliance with Section 17 below, compliance with the financial covenants set out herein shall be suspended for a period of one year following the Closing Date.

17. Reports

The Loan Parties shall, in a form and manner prescribed by the Lender (which may include by fax and/or e-mail), deliver to the Lender the following, signed by a senior officer of the Borrower all in form, scope and substance acceptable to the Lender, acting reasonably:

- (a) audited Financial statements of the Borrower within one hundred and twenty (120) days of the end of the Fiscal Year, along with a report showing calculations of financial covenants and a Compliance Certificate signed by an officer of the Borrower;
- (b) unaudited internally prepared, monthly financial statements of the Borrower within thirty (30) days of the end of each month, along with a report showing calculations of financial covenants, a Compliance Certificate and a comparison to

budget and the same period for the year previous signed by an officer of the Borrower is to be included with the reporting package;

- (c) a business plan and monthly operating budget for the coming Fiscal Year within thirty (30) days of the end of each Fiscal Year, including a financial forecast, including income statements, capital expenditures statements, capital expenditure, budget, balance sheet, cash flow, detailed list of assumptions and projected compliance ratios along with (after the first Fiscal Year) management discussion and analysis of any deviation of more than 10% from the prior Fiscal Year;
- (d) a report setting out the sales by the Borrower of Aggregate in the last month and the proceeds of sale of Aggregate actually received in the last month by the Borrower within thirty (30) days of each month end;
- (e) a report on all equipment (as defined in the *Alberta Personal Property Security Act*) purchased and sold which has a purchase or sale price, as applicable, in excess of \$50,000, including costs incurred in such sales and application of proceeds of sale, within one hundred and twenty (120) days of the end of the Fiscal Year;
- (f) a compliance report signed by an officer of the Borrower within thirty (30) days of the end of each month, the effect that full payment has been made of all source deductions (employee deductions, CPP, employment insurance and goods and services tax) required by the applicable government authority have been paid in full and there are no principal interest arrears, all property taxes have been paid and Borrower is in full and complete compliance with conditions of its Funded Debt;
- (g) such additional financial information with respect to the Borrower as and when reasonably requested by the Lender; and
- (h) forthwith, particulars of any occurrence which constitutes an Event of Default, or of any action, suit or proceeding, pending or to the Borrower's knowledge threatened against the Borrower,

provided that to the extent the Planned Reorganization does not occur within 90 days following the Closing Date, each of the Loan Parties shall be required to deliver the information required to be delivered pursuant to subsections (a) through (g), inclusive.

18. Representations

Each Loan Party represents and warrants that:

- (a) each Loan Party: (i) is a corporation or company has been duly incorporated, amalgamated or continued, as the case may be, and is validly subsisting as a corporation or company and qualified to do business under the laws of its jurisdiction of incorporation, amalgamation, or continuance, as the case may be, (ii) that is not a corporation or company has been duly created or established as a partnership, limited partnership, trust or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) has not adopted or designated any name (including any French name) except as set forth on Schedule H;

- (b) each Loan Party is in compliance with all material laws, regulations and orders of any Governmental Authority applicable to it or its property and all material indentures, agreements and other instruments binding upon it or its property;
- (c) each Loan Party has full power, authority and capacity to execute and deliver the Loan Documents to which it is party and to carry out the transactions contemplated herein and therein, all of which have been duly and validly authorized by all necessary corporate proceedings and that the documents hereinbefore referred to have been duly executed and delivered by such Loan Party;
- (d) neither the execution nor delivery of a Loan Document, nor the fulfillment of or compliance with the terms and provisions thereof will contravene any provision of law, including, without limitation, any statute, rule, regulation, judgment, decree, order, franchise or permit applicable to a Loan Party or conflict with or result in a material breach of the terms, conditions or provisions of or constitute a default under any agreement or instrument to which such Loan Party is now a party or by which any of its property or assets may be bound or affected;
- (e) each Loan Document constitutes legal, valid and binding obligations of the each Loan Party enforceable in accordance with their respective terms, except as enforceability may be limited by general principles of equity and by bankruptcy and insolvency laws;
- (f) except as disclosed to the Lender in Schedule J, to the best of its knowledge and belief, there are no pending or threatened actions or proceedings before any Court or administrative agency which may materially adversely affect the financial condition or operations of the Loan Parties;
- (g) the contents of all documents furnished to the Lender by or on behalf of a Loan Party to induce the Lender to lend the monies hereunder are true and correct in all material respects and accurately set out all the facts contained therein and do not omit any fact necessary in order to make such information not misleading in any material way;
- (h) all financial information and statements which have been delivered to the Lender are true and accurate and have been prepared in accordance with Generally Accepted Accounting Principles consistently applied and fairly represent the financial position of the person or entity which each purports to reflect and the financial position so reflected has not suffered, or could not reasonably be expected to have suffered, either individually or in the aggregate, any Material Adverse Effect to the date hereof;
- (i) other than in relation to Permitted Encumbrances, each Loan Party and its assets are not a party to or bound by any contract, agreement or undertaking or subject to any restriction in constating documents or to any other corporate, contractual or personal restriction or inhibition howsoever imposed that would materially or adversely affect the business, property, assets or financial condition of such Loan Party;
- (j) each Loan Party lawfully owns and is lawfully in possession of all of its assets and that it has a good right and lawful authority to grant, convey, assign, transfer,

hypothecate, mortgage, pledge and charge its assets as provided herein and in the Security;

- (k) other than in relation to the Permitted Encumbrances, there are no Encumbrances of any nature or kind in existence or promised which are in any manner capable of becoming registered so as to give priority of same to the detriment of the Security;
- (l) there are no outstanding judgments or awards against the Loan Parties, except as have been disclosed to the Lender in writing;
- (m) except as disclosed to the Lender in Schedule J, there is no fact known to the Loan Parties which materially or adversely affects or to the extent reasonably foreseeable by the Loan Parties is reasonably expected in the future to materially or adversely affect the business prospects or financial condition of the any of the Loan Parties or their assets;
- (n) each Loan Party has filed all material tax returns which are required to be filed by it and has paid all taxes and claims arising therefrom ranking in priority to the Encumbrances created by the Security (including interest and penalties) which are due and payable, unless such payment is being contested in good faith by appropriate proceedings and adequate reserves, as determined by the Lender acting reasonably, are held in respect thereof;
- (o) the authorized capital of the Loan Parties is as set out in the attached Schedule C;
- (p) each Loan Party owns, or is licensed to use, all trademarks, tradenames, copyrights, patents or other intellectual property material to its business, and the use thereof by such Loan Party does not infringe upon the rights of any other person;
- (q) (i) as of the date hereof, none of the Loan Parties is in default under any of their respective obligations and, except as disclosed to the Lender in Schedule J, there are no actions, suits or proceedings, pending or, to their knowledge, threatened, against or affecting any of them and (ii) none of the Loan Parties is in default under any of their respective material obligations and, except as disclosed to the Lender in Schedule J, there are no material actions, suits or proceedings, pending or, to their knowledge, threatened, against or affecting any of them;
- (r) except as disclosed to the Lender in Schedule J, none of the Loan Parties are aware of any facts or circumstances that would have a material adverse impact on the value of the Collateral;
- (s) as of the date hereof, both before and after giving effect to (a) the financing transaction to be consummated on the date hereof and (b) the payment and accrual of all fees, costs and expenses in connection therewith, each Loan Party is and will be solvent;
- (t) the ownership structure set out in Schedule H accurately reflects the organizational and ownership structure of each Loan Party as at the date hereof.

The Relevant Jurisdictions for each of the Loan Parties are set forth on Schedule H; and

- (u) no event or circumstance has occurred which has had or could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, which has not been fully and accurately disclosed to the Lender in writing.

All representations and warranties of the Loan Parties shall be true and accurate as of the date of any advance under the Credit Facilities (other than representations or warranties made as of a specific date) and shall survive the advance of any funds by the Lender to the Borrower or the delivery or registration (if applicable) of the Security and shall continue until the Security has been discharged and released in full by the Lender.

19. Events of Default

Each of the following shall constitute an Event of Default:

- (a) if the Borrower shall make default in payment of any principal or interest in regard to the Indebtedness;
- (b) if any Loan Party should default or be in breach of the performance or observance of any part of the covenants, agreements, conditions on the part of such Loan Party to be kept, observed, performed or given hereunder or under the Loan Documents or should any other person, firm, or company being a party to Loan Document fail to carry out or observe any covenant or condition herein or therein on its part to be observed or performed and such deficit or failure is not cured by such Loan Party within thirty (30) days following receipt of notice from the Lender;
- (c) if any representation or warranty made by a Loan Party with respect to a Loan Document or any other information provided in support of the Borrower's application to the Lender for the Credit Facilities is found to be materially incorrect and such incorrect representation or warranty has not remedied within thirty (30) days after written notice of such incorrect representation or warranty is given to the Borrower by the Lender;
- (d) if any Loan Party shall create or attempt to create any mortgage or charge or permit any Encumbrance to be created or arise on any of its assets except a Permitted Encumbrance;
- (e) if a Loan Party should fail to pay any charges, rents, taxes, or rates on leasehold property, or other charges of a like nature, or if a Loan Party fails to observe and perform any of the covenants, payments or conditions in any lease, license, concession, agreement, mortgage, agreement for sale, charge or Encumbrance and such failure or default could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;
- (f) if a Loan Party defaults under any Material Agreement to which it is a party and such failure or breach is not waived, remedied or cured by such Loan Party within thirty (30) days;
- (g) if a Loan Party makes default in the payment of the principal or interest in relation to any other borrowed money, credit facilities or mortgages, and such default is

not cured or waived within the earlier of ten (10) Business Days of notice or any applicable cure period provided for thereunder;

- (h) if a Loan Party makes default in the performance of any term, condition or covenant contained in any instrument under which any Funded Debt in an amount exceeding \$100,000 is outstanding and such default is not cured or waived within any applicable cure period provided for thereunder;
- (i) if an order shall be made or an effective resolution passed for the winding-up of a Loan Party or any member of the Parent Group, or if a petition is filed for the winding-up of such Loan Party or member of the Parent Group;
- (j) if a Loan Party or any member of the Parent Group shall make an assignment for the benefit of creditors or be declared bankrupt, or if a custodian or receiver or receiver and manager or other officer with similar powers be appointed with respect to such Loan Party or member of the Parent Group or any of its property or if such Loan Party or member of the Parent Group makes or files a notice of intention to make a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* (or equivalent legislation in the promulgated pursuant to the laws of the United States of America) as now or hereafter in force or makes any arrangement with its creditors pursuant to the terms of the *Business Corporations Act* of Alberta (or equivalent legislation in the promulgated pursuant to the laws of the United States of America) as now or hereafter in force;
- (k) if a Loan Party ceases or threatens to cease to carry on its business or if such Loan Party or a member of the Parent Group commits any act of bankruptcy;
- (l) if a Loan Party or any member of the Parent Group passes or purports to pass any resolution or takes or purports to take any corporate proceedings which would result in its reorganization, amalgamation or merger with another entity or the transfer of all or substantially all of its assets other than as permitted under this Agreement or with the prior written consent of the Lender, or take proceedings for its dissolution or liquidation;
- (m) if a Loan Party or any member of the Parent Group shall lose its charter by expiration, forfeiture or otherwise or if a receiver or receiver-manager for all or any part of such Loan Party's or member of the Parent Group's assets or any other party with like powers shall be appointed;
- (n) if any execution, distress, sequestration or any other process of any court become enforceable against a Loan Party or any member of the Parent Group or if a distress or analogous process is levied upon the property of such Loan Party or member of the Parent Group or any part thereof, provided however that the Security shall not be enforceable if:
 - (i) such execution, sequestration or other process is in good faith being disputed by such Loan Party or member of the Parent Group;
 - (ii) the Lender does not, in its sole discretion, feel that such execution, distress, sequestration or other process hereinbefore referred to jeopardizes or impairs its security, or prejudices the rights of the Lender; and

- (iii) at the Lender's request, such Loan Party or member of the Parent Group provides further security which the Lender in its absolute discretion deems sufficient to pay in full the amount claimed in the event that the execution, distress, sequestration or any other process as hereinbefore referred to is held to be valid against such Loan Party or member of the Parent Group;
- (o) except in the ordinary course of business or as permitted pursuant to the Loan Documents, if any assets of a Loan Party are either directly or indirectly (including without limitation by way of transfer or sale of Equity Interests) sold, transferred, assigned, conveyed, removed, alienated or disposed of in any manner whatsoever by such Loan Party or if the Lender, acting reasonably, deems such Loan Party's assets or any part thereof are in danger of being sold, transferred, assigned, conveyed, removed, alienated or disposed of;
- (p) if, without the Lender's prior written consent, there is a Change in Control, other than a Change of Control that constitutes a Permitted Restructuring;
- (q) if a Loan Party defaults under any other loan or mortgage to which it is a party, including, but not limited to, any breach of the Security and any agreement regarding a Finance Lease and such default is not waived or cured;
- (r) if the Security shall cease to be in full force and effect and/or ceases to rank in the priority contemplated herein against the Collateral, or the validity thereof or the applicability thereof to this Agreement or of any of the obligations of a Loan Party thereunder or hereunder shall be disaffirmed by or on behalf of such Loan Party;
- (s) if any default occurs under any other credit, facility or security agreement to which a Loan Party or any member of the Parent Group is a party and such breach continues for ten (10) days after such Loan Party or member of the Parent Group shall have received written notice of same;
- (t) if a Loan Party makes a Distribution except as otherwise permitted hereunder;
- (u) if the Security is or becomes illegal, invalid, prohibited or unenforceable and/or ceases to rank in the priority contemplated herein against the Collateral; and
- (v) if a Material Adverse Change has occurred.

Upon the happening of any Event of Default, the Lender may, upon written notice to the Borrower, declare the Indebtedness to be immediately due and payable whether with or without prior demand therefore, and the Security shall become enforceable in each and every such event. The occurrence of an Event of Default shall constitute such demand as may be required with respect to any Security and shall be deemed to constitute an Event of Default under any of the Security and the Lender shall thereupon have all rights and remedies available to it at law or in equity consequent thereon, whether arising by virtue the Security, this Agreement or otherwise, including without limiting the generality of the foregoing, the right and power of the Lender to take possession of the undertaking, property and assets of the Borrower and/or appoint a receiver or receiver-manager with respect to such undertaking, property and assets. Notwithstanding anything contained herein, the recourse of the Lender against the Borrower in respect of the Facility C Principal shall be limited to the sale proceeds of the then Remaining Fiera Equipment.

20. Environmental Indemnity

Each Loan Party hereby represents and warrants that its business and assets and are operated in compliance with applicable Environmental Laws and that, except as disclosed to the Lender in Schedule J, to its knowledge, no enforcement action in respect thereof is threatened or pending, and covenants to continue to so operate. If (i) a Loan Party has knowledge of or (ii) if the Lender, at any time, has a reasonable basis to believe that the property of a Loan Party has had a Hazardous Discharge, or remediation work to the Lands is required, including, without limitation, remediation to the Purchased Pits, or is subject to any Environmental Complaint, then each Loan Party shall provide the Lender with such reports, certificates, environmental audits, engineering studies or other written material or data as the Lender, acting reasonably, may require from it so as to satisfy the Lender that the Loan Parties, as applicable, are in compliance with all applicable Environmental Laws. If the Lender is required to expend any funds in compliance with applicable Environmental Laws or court orders in respect thereof in respect of the operations or assets of a Loan Party, each Loan Party shall indemnify the Lender in respect of such expenditures as if an Advance had been made to the Borrower under this Agreement for such purpose.

21. Preserve Security

In the event that a Loan Party shall fail to pay or cause to be paid any sum payable by it, whether according to the terms of this Agreement or otherwise, when they become payable, or shall fail to repair or cause to be repaired any buildings or improvements on the Lands, the Lender may, without prejudice to any other rights available to the Lender, pay said sum or make arrangements for such repairs and the Lender may make such other expenditures as it deems necessary so as to protect any Security or to perfect title to any Security and all sums so expended or Indebtedness incurred by the Lender, together with all costs, charges and expenses, including legal fees as between a solicitor and his client, shall be added to and form part of the Indebtedness and be secured by the Security and bear interest until paid at a rate equal to the rate of interest specified herein.

22. Subordination/Intercreditor Arrangements

Upon the Borrower establishing credit facilities with an operating lender for the sole purpose of financing the operating expenses of the Borrower, the Lender shall, within a reasonable period of time, enter into an inter-creditor agreement with such operating lender to, *inter alia*, address the rank and priority of the operating facilities, and pursuant to which the Lender shall subordinate to such operating lender's interest in the Borrower's accounts receivables and Inventory (but explicitly excluding the proceeds of sale of the Inventory payable to the Lender in accordance with the terms herein to repay the Facility B Principal).

23. Further Security

The Loan Parties and the Parent Group shall forthwith, upon receipt of a request from the Lender therefore, acting reasonably, execute and deliver, or cause to be executed and delivered, to the Lender such further documents and securities and shall do such things as shall be required by the Lender to ensure that the full liability of the Borrower to the Lender shall be secured as reasonably may be required by the Lender.

24. Deemed Reinvestment

It is hereby declared, for the purpose of greater certainty, that the principle of deemed reinvestment of interest shall not affect the calculation of interest payable under this Agreement or the Security.

25. Legal Fees

All legal fees and disbursements of the Lender related to the preparation of this Agreement, the Security and any renewal or renewals of the Security shall be paid by the Borrower and may be deducted by the Lender or its solicitors from any loan proceeds.

Each Loan Party, jointly and severally, shall pay, on demand, all costs incurred by the Lender in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting (including legal costs as between a solicitor and his own client on a full indemnity basis and also an allowance for the time, work and expenses of the Lender or of any agent, solicitor or servant of the Lender for any purpose herein provided), together with all sums which the Lender from time to time advances, expends or incurs pursuant to any provision contained in this Agreement or the Security, whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Loan Parties or otherwise, together with interest thereon at the highest rate payable pursuant to this Agreement calculated from the Closing Date or expenditure by the Lender to the date of payment by the Loan Party.

26. Enforcement

The Lender may at any time after the occurrence of an Event of Default without notice and without any other formality, all of which are hereby waived, enforce any or all of the Security; provided that notwithstanding anything herein or in any of the Security contained, the Lender shall not under any circumstances be bound or obligated to enforce all or any of the Security nor shall the Lender be obligated to collect or cause to be collected any amounts owing in respect of any of the Security.

27. No Merger

Nothing in this Agreement, in any of the Security given hereunder or which may be acquired by the Lender with respect to this Agreement, and no act or omission by the Lender with respect to any Loan Document shall in any way prejudice the rights, remedies or powers of the Lender against the Loan Parties with respect to the Indebtedness, or any Security now or hereafter held by the Lender. The Security held by the Lender shall not operate by way of merger of any portion of the Indebtedness of a Loan Party to the Lender hereunder or under any deed, guarantee, contract, draft, bill of exchange, promissory note or other negotiable instrument, or otherwise howsoever, by which the same may now or at any time hereafter arise or be represented or evidenced, and no judgment recovered by the Lender shall merge or in any way affect any of the Security or the Lender's right to interest thereon.

28. Right of Application

The Lender may from time to time apply and re-apply (and notwithstanding any previous application) in such manner as it, in its sole discretion sees fit, any monies received by it from a Loan Party or from collections, sales, or realizations of, on or under any Security, other than in respect of the Fiera Equipment (which shall be applicable solely to Facility C) or Inventory (which shall be applied first to Facility B), after first deducting the charges therefore or any

expenses thereof, including costs as between a solicitor and his client, in or toward payment of any portion of the Indebtedness; and any such monies may be held by the Lender unappropriated in a collateral account for such time as the Lender sees fit; and the Loan Parties shall have no right to make or require any appropriation inconsistent with any such application by the Lender; and the taking of a judgment or judgments or any other action or dealing whatsoever by the Lender in respect of any Security given or to be given by the Loan Parties shall not operate as a merger of any other Security given to the Lender or any part thereof, or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which the Lender may have in connection with such Security or the Indebtedness; and the foreclosure, surrender, cancellation, variation or any other dealing with or modification of any Security for such Indebtedness shall not release or affect the liability of a Loan Party for its total Indebtedness or release or affect any other part of the Security held by the Lender.

29. Termination

This Agreement shall continue in full force and effect, notwithstanding that there may be at any time and from time to time no Indebtedness owing, until terminated by the Lender, but this Agreement may be terminated by the Borrower upon written notice delivered to the Lender at any time when there is no Indebtedness or other obligation outstanding to the Lender. Upon termination of this Agreement, the Loan Parties shall be entitled to discharges of all Security then held by the Lender hereunder provided that the cost of preparing, executing, delivering and, if necessary, registering such discharges shall be paid by the Loan Parties, including fees as between a solicitor and his client, provided such expense is permitted by Applicable Law.

30. Taxes

The following shall apply as to taxes payable (excluding income taxes of the Lender):

- (a) any and all payments by or on account of any obligation of a Loan Party hereunder shall be made free and clear of and without deduction for any taxes; provided that if a Loan Party shall be required to deduct any taxes from such payments, then (i) the sum payable shall be increased as necessary so that, after making all required deductions (including deductions applicable to additional sums payable under this Section), the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Loan Party shall make such deductions and (iii) the Loan Party shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.
- (b) in addition, each Loan Party shall pay any such taxes to the relevant Governmental Authority in accordance with Applicable Law.
- (c) each Loan Party shall indemnify the Lender, within 10 days after written demand therefor, for the full amount of any such taxes paid by the Lender, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to a Loan Party by the Lender, shall be *prima facie* evidence absent manifest error.
- (d) if requested by the Lender from time to time, each Loan Party shall deliver to the Lender the original or a certified copy of a receipt issued by the applicable Governmental Authority, a copy of the return reporting payment, or such other

evidence reasonably satisfactory to the Lender evidencing payment of taxes by the Loan Party.

31. Incorporate Terms

Subject to Section 32, the terms of the Security form a part of this Agreement as if the terms thereof were expressly and specifically set forth or stated herein.

32. Conflict

In the event of any conflict between the terms of this Agreement and the terms of any Security (or for any inconsistency between this Agreement where it is more persuasive or less restrictive than the Security), the provisions of this Agreement shall prevail to the extent necessary to remove such conflict; provided however, that a conflict or inconsistency shall not be deemed to exist only by reason of one of the Agreement or the Security not providing for such matter.

33. Notices

Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if:

- (a) personally delivered to the party to whom it is intended or if such party is a corporation to an officer of that corporation; or
- (b) mailed by prepaid registered mail, transmitted by email or delivered, to the address or email of the party to whom it is intended as follows:

- (i) if to the Loan Parties, then:

Resource Land Holdings, LLC
1400 16th St, Suite 320
Denver, CO 80209

Attention: Byron Levkulich, CFA, CPA, Director
Email: Byron.Levkulich@RLHoldings.com

- (ii) if to the Lender prior to April 30, 2021 (or such other date as the Lender may notify the Loan Parties) then:

Fiera Private Debt
20 Adelaide Street East, Suite 1500,
Toronto, Ontario M5C 2T6

Attention: Stephen Zagrodny, Senior Director, Corporate & Infrastructure
Debt Financing
E-mail: szagrodny@fieracapital.com

and thereafter at:

Fiera Private Debt
RBC Plaza South Tower
200 Bay Street, Suite 3700
Toronto, Ontario M5J 2T6

Attention: Stephen Zagrodny, Senior Director, Corporate & Infrastructure
Debt Financing
Email: szagrodny@fieracapital.com

or to such other address or number as a party may from time to time direct in writing.

Any notice delivered before 4:30 p.m. local time on a day that is not a Saturday, Sunday or statutory holiday in Alberta (a "**Business Day**") shall be deemed to have been received on the date of delivery and any notice delivered after 4:30 p.m. local time on a Business Day or delivered on a day other than a Business Day, shall be deemed to have been received on the next Business Day. Any notice mailed shall be deemed to have been received seventy two (72) hours after the date it is postmarked. Any notice sent by e-mail before 4:30 p.m. local time on a Business Day shall be deemed to have been received when the sender receives the answer back confirming receipt by the recipient; provided, however, that any e-mail received after 4:30 p.m. local time on a Business Day or received on a day other than a Business Day shall be deemed to have been received on the next Business Day. If normal mail or communications service is interrupted by strike, slow-down, force majeure or other cause after the notice has been sent the notice will not be deemed to have been received until actually received. In the event normal mail service is impaired at the time of sending the notice, then personal delivery or email transmission only shall be effective.

34. Headings

The headings in this Agreement have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

35. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

36. Additional Agreements

The Security contains covenants, representations, warranties and events of default to which the Loan Parties shall be bound, in addition to any covenants, representations, warranties and events of default herein contained;

37. Review

The Lender may conduct periodic reviews of the affairs of the Loan Parties, as and when determined by the Lender for the purpose of evaluating the financial condition of the Loan Parties. Each Loan Party shall make available to the Lender such financial statements and other information and documentation as the Lender may reasonably require and shall do all things reasonably necessary to facilitate such review.

38. Schedules

The Schedules attached hereto are incorporated into this Agreement by reference

39. Time of Essence

Time shall be of the essence of this Agreement and of every part hereof.

40. Payment of Monies

The parties acknowledge and agree that any payment of monies required to be made hereunder shall be made in Canadian funds and that any tender of monies or documents hereunder may be made upon the solicitors acting for the party upon whom the tender is desired and it shall be sufficient that a negotiable bank draft is tendered instead of cash.

41. Due Date Extended

The parties acknowledge and agree that if any date for payment of monies hereunder or fulfillment of any obligation hereunder shall fall on a day that is not a Business Day such date for the payment of such monies or fulfillment of such obligation hereunder shall be deemed postponed and extended to the next following Business Day.

42. Unenforceable Terms

If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Agreement or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

43. Survival of Representations and Warranties

The representations and warranties contained herein or made pursuant to this Agreement and all other security documents shall survive until the termination of this Agreement.

44. Joint and Several

Where more than one person is liable as Borrower for any obligation under this Agreement, the liability of each person for such obligation is joint and several with each other such person.

45. Amendments

This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

46. Entire Agreement

This Agreement and all attachments hereto, the security and any other written agreement delivered pursuant to or referred to in this Agreement constitute the entire agreement among the parties with respect to the subject matter set forth herein or therein and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter thereof.

47. Counterparts; Electronic Signature

This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement and shall become effective when all counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all

parties need not sign the same counterpart. Each party agrees that the electronic signatures, whether digital or encrypted, of any party included in this Agreement shall be as effective as delivery by the parties of a manually executed copy of this Agreement and is intended to authenticate this writing and to have the same force and effect as manual signatures.

48. No Waiver

No consent or waiver, express or implied, by the Lender to or of any breach or default by the Borrower in the performance by the Borrower of its obligations hereunder or under any Security shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by the Borrower. Failure by the Lender to complain of any act or failure to act of the Borrower or to declare the Borrower in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

49. Assignment

This Agreement may be assigned by the Lender prior to the occurrence of an Event of Default with the prior written consent of the Borrower and after the occurrence of an Event of Default without consent, in which event the Borrower shall attorn in all respects to such assignment and the assignee thereof. No Borrower may assign this Agreement without the consent of the Lender, provided, however, that the Lender shall upon prior written request by the Borrower provide consent to an assignment of this Agreement in the case of a Permitted Restructuring as approved hereunder.

50. Singular, Plural and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one party.


51. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and the successors and permitted assigns of the Borrower and the successors and assigns of the Lender.

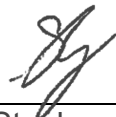
[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF the parties have executed the within Agreement on the day and year first above written.

FIERA PRIVATE DEBT FUND V LP by its general partner **FIERA PRIVATE DEBT FUND GP INC.**


Per: 

Name: Philip Robson
Title: ASO

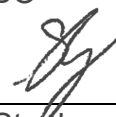
Per: 

Name: Stephen Zagrodny
Title: ASO

FIERA PRIVATE DEBT FUND VI LP by its general partner **FIERA PRIVATE DEBT FUND GP INC.**

Per: 

Name: Philip Robson
Title: ASO

Per: 

Name: Stephen Zagrodny
Title: ASO

MANTLE MATERIALS GROUP, LTD.

Per: _____
Name: Byron Levkulich
Title: Director

Per: _____
Name: Aaron Patsch
Title: Director

IN WITNESS WHEREOF the parties have executed the within Agreement on the day and year first above written.

FIERA PRIVATE DEBT FUND V LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:

Name:

Title:

Per:

Name:

Title:

FIERA PRIVATE DEBT FUND VI LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:

Name:

Title:

Per:

Name:

Title:

MANTLE MATERIALS GROUP, LTD.


Per:



Name: Byron Levkulich

Title: Director

Per:



Name: Aaron Patsch

Title: Director

JMB CRUSHING SYSTEMS INC.

Per: Byron Levkulich
Byron Levkulich (Apr 13, 2021 18:40 MDT)
Name: Byron Levkulich
Title: Director

Per: Aaron M Patsch
Aaron M Patsch (Apr 20, 2021 20:47 MDT)
Name: Aaron Patsch
Title: Director

2161889 ALBERTA LTD.

Per: Blake M. Elyea
Blake M. Elyea (Apr 20, 2021 21:55 PDT)
Name: Blake Elyea
Title: Chief Restructuring Advisor

Per: _____
Name:
Title:

SCHEDULE A
PERMITTED ENCUMBRANCES

The registrations listed in the attached personal property search results and including the following:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith by appropriate proceedings;
- (b) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith and by appropriate proceedings;
- (c) easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower;
- (d) any builder's, mechanic's, garageman's, labourer's or materialman's lien or other similar lien arising in the ordinary course of business or out of the construction or improvement of any land or arising out of the furnishing of materials or supplies, provided that such lien secures monies not at the time overdue, or, if due or delinquent, the validity of which is being contested in good faith by appropriate proceedings;
- (e) Encumbrances incidental to the conduct of business or the ownership of property and assets not incurred in connection with the borrowing of money or obtaining credit and which do not, in the aggregate, detract in any material way from the value or usefulness of the property and assets of the Borrower;
- (f) any claim or Encumbrance from time to time consented to by the Lender;
- (g) in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, in the aggregate, will not materially impair the use of such land for the purposes for which such land is held;
- (h) Security Interests or Encumbrances given by the Borrower to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrower;
- (i) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- (j) Security Interests securing a purchase money obligation, provided that (i) such security interests shall attach only to the property acquired in connection with which such purchase money obligation was incurred and (ii) such purchase money obligation is not prohibited pursuant to Section 15(t);

- (k) landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of the Borrower;
- (l) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money), (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Borrower is a party, or (iii) letters of credit or bonds securing the Borrower's reclamation and remediation obligations under surface material agreements and royalty agreements;
- (m) the Security Documents and the Security;
- (n) the Permitted Future Finance Leases;
- (o) the Permitted Future PMOs;
- (p) the Permitted Future Working Capital Security;
- (q) the Permitted Future Subordinated Debt Security; and
- (r) the Security Interest in favour of ATB attaching to the ATB Aggregate and any proceeds thereof, including a real property mortgage (provided the mortgage does not secure Debt for longer than a 4 year term, with payment amounts calculated on the basis of a not shorter than 20 year amortization, and with an interest rate of not greater than 3.5%) granted by the Borrower in favour ATB in respect of the lands legally described as:

The North East Quarter of Section Thirty Five (35)
 Township Fifty Six (56)
 Range Six (6)
 West of the Fourth Meridian
 Containing 64.7 Hectares (160 Acres) more or less
 Excepting thereout:

	Hectares (Acres) more or less
A) Plan 6430 KS – Road	0.417 (1.03)
B) Plan 395 RS – Road	0.615 (1.52)
C) Plan 9222585 – Road	0.407 (1.01)

Excepting thereout all mines and minerals

and

The South West Quarter of Section Eleven (11)
 Township Fifty Seven (57)
 Range Six (6)
 West of the Fourth Meridian, lying to the west of the westerly limit of land required for railway purposes, as shown on Plan 7521297 and south of the south limit of Road Plan 3445BM, containing 7.17 hectares (17.72 acres) more or less
 Excepting thereout all mines and minerals and the right to work the same

**SCHEDULE B
COMPLIANCE CERTIFICATE**

FIERA PRIVATE DEBT FUND V LP
- AND -
FIERA PRIVATE DEBT FUND VI LP
 20 Adelaide Street East, Suite 1500,
 Toronto, Ontario M5C 2T6
 E-mail: szagrodny@fieracapital.com

This Compliance Certificate is provided pursuant to the loan agreement made effective the 26 day of April, 2021 (as the same may be amended, restated, modified, supplemented or replaced from time to time, the "**Loan Agreement**") among Mantle Materials Group, Ltd., as borrower (the "**Borrower**"), and JMB Crushing Systems Inc., and 2161889 Alberta Ltd., as guarantors, and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc., and Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc., as lenders (collectively, the "**Lender**"). All terms and expressions used herein but not otherwise defined shall have the same meanings herein as are ascribed thereto in the Loan Agreement.

The Borrower represents and warrants as follows:

1. this Compliance Certificate is a true, correct and complete statement of, and that the information contained herein is true, correct and complete in all material respects, and that the amounts reflected herein are in compliance with the provisions of the Loan Agreement;
2. no Event of Default has occurred or is continuing; and
3. all representations and warranties contained in the Loan Agreement and the Security (other than any representations or warranties made as of a specific date) are true and correct in all material respects.

[NTD: To be included for applicable reporting periods only.] [The Borrower hereby certifies that as follows:

- (a) for the time period _____, the ratio of Total Funded Debt to EBITDA was _____ to 1;
- (b) for the time period _____, the ratio of Debt Service Coverage was _____ to 1; and
- (c) for the time period _____, the Current Ratio was _____ to 1.

The calculations of the ratios set out above are attached as Exhibit I to this Compliance Certificate.]

[SIGNATURES FOLLOW ON NEXT PAGE]

DATED this _____ day of _____.

MANTLE MATERIALS GROUP, LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

**EXHIBIT I TO COMPLIANCE CERTIFICATE
CALCULATION OF FINANCIAL COVENANT RATIOS**

[See attached]

**SCHEDULE C
SHARE CAPITAL**

MANTLE MATERIALS GROUP, LTD.	
Shareholder	Number and Class of Shares
RLF Canada Holdings Limited	100 Class A Preferred Shares

JMB CRUSHING SYSTEMS INC.	
Shareholder	Number and Class of Shares
RLF Canada Holdings Limited	51,513.165 Class A Common Shares

2161889 ALBERTA LTD.	
Shareholder	Number and Class of Shares
JMB Crushing Systems Inc.	15,500,049 Class A Common Shares

**SCHEDULE D
TERM SHEET**

[See attached]



1257568 B.C. Ltd.

**Summary of Terms to be incorporated into a new Loan Agreement upon the purchase of the assets of JMB Crushing Systems Inc. ("JMB") and 2161889 Alberta Ltd. ("216")
July 20, 2020**

This summary proposal is for discussion purposes only and should not be considered exhaustive or conclusive. It is not a commitment, but rather, upon acceptance by the New Borrower of the terms and conditions herein, a more detailed Loan Agreement will be prepared by the Lender's counsel. All dollar figures are Canadian dollars. All capitalized terms set out herein and not otherwise defined shall have the meaning ascribed to them in the draft loan agreement circulated on July 21, 2020 (the "Loan Agreement").

Pursuant to an initial order of the Court of Queen's Bench of Alberta made on May 1, 2020, as amended on May 11, 2020, JMB and 216 were given protection under the Companies' Creditors Arrangement Act (Canada), FTI Consulting Canada Inc. was appointed monitor (the "Monitor") and a sale and investment solicitation procedure was approved pursuant to which the Monitor and a sale advisor would market and sell the property and assets of JMB and 216 (the "SISP").

1257568 B.C. Ltd. (the "New Borrower") intends to submit a Phase 2 Bid in the SISP in the form of an asset purchase agreement dated as of July 21, 2020 between JMB and 216 as vendors and the New Borrower as purchaser (the "APA", and such purchase and sale, the "Transaction"), pursuant to which the New Borrower will purchase certain assets of JMB and 216 for a purchase price payable in part by way of assuming a portion of the secured indebtedness owing to the Lender by JMB in the amount of \$15,500,000 (the "Loan"). Therefore, in the event the APA is approved by the Court and is the successful Transaction under the SISP, the Lender is prepared to put forward to the New Borrower the following terms and conditions that would be agreed to as part of the Loan Agreement with the New Borrower.

- Lender:** Fiera Private Debt Fund V LP and Fiera Private Debt Fund VI LP
- New Borrower:** 1257568 B.C. Ltd.
- Guarantors:** All existing and future subsidiaries of the New Borrower as determined by the Lender.
- Facilities:**
- Facility A – Amortizing Debt**
- CDN\$3,500,000 non-revolving credit facility
 - Facility B – Repayment per Sale of Aggregate**
- CDN \$6,000,000 non-revolving credit facility
 - Facility C – Equipment**
- non-revolving credit facility available in an amount equal to the lesser of (i) CDN \$6,000,000, being the aggregate appraised value of the equipment listed in Schedule D of the APA under the heading "Fiera Equipment", less lesser of the net proceeds of sale to third parties in the SISP of any Fiera Equipment or the appraised value of such Fiera Equipment, or (ii) aggregate net proceeds of sale by the New Borrower of the remaining Fiera Equipment after the SISP.

**Amortization and
Principal Repayments:**

Facility A

- Provided there has occurred no Event of Default that is continuing, two (2) years of interest-only payments payable quarterly, followed by equal blended monthly payments of principal and interest based on a six (6) year amortization period.

Facility B

- in monthly payments commencing one (1) year following close, in an amount equal to \$1 per tonne of aggregates sold by the New Borrower to third parties to repay the principal.
- such monthly payments shall be payable after commencement on the forty-fifth (45th) day after the end of the month in which such sales occur on the basis of the proceeds of such sales actually received in such month by the New Borrower, and shall continue until the Facility B principal amount is repaid in full.
- The New Borrower shall deliver to the Lender within 30 days of each month end a sales report setting out the proceeds of sales actually received in the last month by the New Borrower.

Facility C

- to be repaid from the proceeds of any sale of the Fiera Equipment, net of such reasonable costs associated with such sales as approved by the Lender, such that upon the sale of the last item of Fiera Equipment, the principal amount under Facility C shall be repaid in full.

Interest Rate:

7.00% per annum accrued daily with respect to Facility A.

Prepayment:

Provided no Event of Default has occurred and is continuing, the New Borrower shall have the ability to prepay:

- (i) all (and only all) of the indebtedness outstanding at any time in relation to Facility A by provision of thirty (30) days' notice and payment of the Interest Rate Differential;
- (ii) some or all of the indebtedness outstanding at any time in relation to Facility B and Facility C by provision of thirty (30) days' notice, but without further notice, bonus or penalty, provided however, that any partial prepayment shall in no way release the New Borrower from its obligation to make any payments required pursuant to the provisions of the Security or the loan agreement.

Security:

Standard for a loan of this nature, including but not limited to:

- (i) a general security agreement from the New Borrower;
- (ii) an assignment of Material Agreements;
- (iii) a mortgage of lease for each surface mineral lease located on the lands owned by the Crown;

- (iv) a conditional surrender of lease for each surface mineral lease on the lands owned by the Crown;
- (v) a charge as against the aggregate royalty agreements for each aggregate pit located on the privately-owned lands;
- (vi) commercially reasonable efforts to obtain a tripartite agreement among the New Borrower, the Lender and each private owner of the lands with respect to the aggregate royalty agreements;
- (vii) commercially reasonable efforts to obtain landlord waivers and intercreditor agreement as may be required by the Lender, if required;
- (viii) a postponement and assignment of creditor's claims and postponement of security executed by each shareholder of the New Borrower, if required;
- (ix) an assignment of insurance;
- (x) pledges of all Equity Interests of the Loan Parties that are owned by the Loan Parties or the Parent Group, from time to time, securing a guarantee by the grantor of any such pledge under which recourse is limited to such Equity Interests, in each case if required;
- (xi) a collateral agency agreement among the Lender, a collateral agent and the New Borrower, if required; and
- (xii) such other security as may be reasonably required by the Lender.

Conditions Precedent:

All Conditions Precedent must be satisfied at or before the time of the advance under the Loan Agreement and all deliveries must be satisfactory to the Lender in form and substance. Standard conditions precedent for a loan of this nature, including for reference, but not limited to:

- (i) New Borrower successfully obtaining an approval and vesting order from the Court and completing the acquisition of the assets of JMB and 216 resulting in the exit of the business from the current CCAA process on terms and conditions satisfactory to the Lender;
- (ii) Lender shall have received the Loan Agreement, the other Loan Documents, the Security, and all other documentation related thereto duly executed and delivered, provided that with respect to the Security referred to in (iv), (vi) and (viii), it shall not be required as a condition to closing;
- (iii) Lender shall have received a duly executed copy of the Assignment and Assumption Agreement;
- (iv) Lender shall have received a duly executed copy of the APA;
- (v) A favourable opinion of the Lender's counsel including authorization and enforceability as to Security;
- (vi) Such further loan and security documentation as required by the Lender;

- (vii) Representations and warranties must be true and correct in all material respects;
- (viii) Lender shall have received certificates of insurance or other evidence that the covenants and conditions of the Loan Documents concerning insurance coverage are being complied with;
- (ix) There shall be no material adverse change in the New Borrower's business or its financial condition since Loan approval;
- (x) Lender shall have received an undertaking from RLF Canada Holdings Limited ("RCH") committing to make a \$3,500,000 equity contribution to the New Borrower by the first anniversary of the Effective Date, or by such other date or amount as may be agreed to in writing by the New Borrower, RCH and the Lender; and
- (xi) Such other documents, as required by the Lender.

Negative Covenants:

Such similar negative covenants as set out in the draft Loan Agreement circulated on July 21, 2020, provided that the New Borrower (a) will be entitled to obtain purchase-money security financing or capital lease financing from third party lenders or lessors in an aggregate amount to be determined, provided the purchase money security interest(s) or security or leasehold interest created thereby is limited to the acquired or leased assets, (b) will be permitted to enter corporate restructuring transactions with JMB and other affiliates for the purpose of preserving the tax attributes of JMB or its shares, (c) will be permitted to obtain operating or working capital financing from third party lenders in an aggregate amount to be determined, provided that such lender(s) enter into an inter-creditor agreement acceptable to the Lender and any security interest(s) securing such financing be subsequent in priority to the Lender's security interests other than with respect to inventory and accounts receivable, (d) will be permitted to incur indebtedness and security in an aggregate amount to be determined that is subordinate to the Lender, and (e) will be permitted to accumulate capitalized dividends.

Positive Covenants:

Such similar positive covenants as set out in the draft Loan Agreement circulated on July 21, 2020, including, but not limited to:

- (i) store and maintain in current condition the Fiera Equipment at the New Borrower's premises located in the Town of Bonnyville, in the Province of Alberta, or if currently stored in Washington State, at an acceptable location in Washington State; and
- (ii) the New Borrower shall employ reasonable commercial efforts to sell the Fiera Equipment in a commercially

reasonable manner that is acceptable to the Lender, acting reasonably.

- Insurance:** The New Borrower shall maintain:
- (i) All risks fire and extended coverage insurance on all assets to the full insurable value from time to time outstanding, with first loss payable to the Lender and a standard mortgage clause on an Insurance Bureau of Canada form. Insurance shall not be cancellable except on 30 days prior written notice to the Lender;
 - (ii) Public liability, bodily injury and property damage insurance of the type and in such amount as is acceptable to the Lender; and
 - (iii) Maintain casualty and property insurance in respect of the Fiera Equipment from JMB in amounts not less than the appraised equipment value.
- Financial Covenants:** Such similar financial covenants as set out in the draft Loan Agreement circulated on July 21, 2020.
- Reporting Requirements:** Such similar reporting requirements as set out in the draft Loan Agreement circulated on July 21, 2020.
- Events of Default:** Standard for a loan of this nature, provided that the amount realizable in respect of Facility C shall be limited to the net proceeds of sale of remaining Fiera Equipment.
- Transaction Expenses:** Legal fees and disbursements, appraisal fees, any out of pocket due-diligence expenses including costs incurred in the preparation, execution, delivery, registration and discharge of the Loan documents, including, without limitation, work fees charged by the Lender, or in the collection of any amount owing under the Loan shall be for the New Borrower's account.
- Governing Law:** The Province of Alberta
- Assignment:** In the event that the New Borrower sells all or substantially all of its assets, or its parent sells its shares in the capital of the New Borrower, provided that the purchaser provides satisfactory evidence to the Lender (in its sole discretion) that it is financially and operationally able to perform or cause the performance of the terms reflected hereby, the Lender shall consent to such sale.

[Signature page follows]

**FIERA PRIVATE DEBT FUND V LP,
BY ITS GENERAL PARTNER FIERA PRIVATE DEBT FUND INC.**

Per: 
Authorized Signature

Per: _____
Authorized Signature

**FIERA PRIVATE DEBT FUND VI LP,
BY ITS GENERAL PARTNER FIERA PRIVATE DEBT FUND INC.**

Per: 
Authorized Signature

Per: _____
Authorized Signature

Agreed and accepted this 21 day of July, 2020.

By: 1257568 B.C. LTD.

Per: _____
Authorized Signature

Per: _____
Authorized Signature

**FIERA PRIVATE DEBT FUND V LP,
BY ITS GENERAL PARTNER FIERA PRIVATE DEBT FUND INC.**

Per: _____
Authorized Signature

Per: _____
Authorized Signature

**FIERA PRIVATE DEBT FUND VI LP,
BY ITS GENERAL PARTNER FIERA PRIVATE DEBT FUND INC.**

Per: _____
Authorized Signature

Per: _____
Authorized Signature

Agreed and accepted this 21 day of July, 2020.

By: 1257568 B.C. LTD.

DocuSigned by:
Byron J Levtulich

Per: _____
Authorized Signature

Per: _____
Authorized Signature

**SCHEDULE E
AMORTIZATION AND PAYMENT SCHEDULE OF THE LOAN**

[See attached]

Mantle Materials Group Ltd. Tranche A

V \$ 12,351,146.60 87.41%
 VI \$ 1,778,983.37 12.59%
 \$ 14,130,129.97

\$3,550,000.00 **Valuation Date:** 26-Apr-21

Interest Rate: 7.000% **# of Payments:** 80

Blended payment \$60,523.97 **Amortization:** 72

Fund V

Fund VI

Pymt. #	Date	Total	Interest	Principal	Principal	Total Payment	Interest	Principal	Total Payment	Interest	Principal
		Payment	Portion	Portion	Outstanding						
0	26-Apr-21	0.00	0.00	0.00	3,550,000.00	-	-	-	-	-	-
1	15-Jul-21	54,030.71	54,030.71	0.00	3,550,000.00	47,228.24	47,228.24	-	6,802.47	6,802.47	-
2	15-Oct-21	62,635.62	62,635.62	0.00	3,550,000.00	54,749.79	54,749.79	-	7,885.82	7,885.82	-
3	15-Jan-22	62,635.62	62,635.62	0.00	3,550,000.00	54,749.79	54,749.79	-	7,885.82	7,885.82	-
4	15-Apr-22	61,273.97	61,273.97	0.00	3,550,000.00	53,559.58	53,559.58	-	7,714.39	7,714.39	-
5	15-Jul-22	61,954.79	61,954.79	0.00	3,550,000.00	54,154.69	54,154.69	-	7,800.11	7,800.11	-
6	15-Oct-22	62,635.62	62,635.62	0.00	3,550,000.00	54,749.79	54,749.79	-	7,885.82	7,885.82	-
7	15-Jan-23	62,635.62	62,635.62	0.00	3,550,000.00	54,749.79	54,749.79	-	7,885.82	7,885.82	-
8	15-Apr-23	61,273.97	61,273.97	0.00	3,550,000.00	53,559.58	53,559.58	-	7,714.39	7,714.39	-
9	15-May-23	60,523.97	20,424.66	40,099.32	3,509,900.68	52,904.00	17,853.19	35,050.81	7,619.97	2,571.46	5,048.50
10	15-Jun-23	60,523.97	20,867.08	39,656.89	3,470,243.79	52,904.00	18,239.92	34,664.09	7,619.97	2,627.17	4,992.80
11	15-Jul-23	60,523.97	19,965.79	40,558.19	3,429,685.61	52,904.00	17,452.09	35,451.91	7,619.97	2,513.69	5,106.28
12	15-Aug-23	60,523.97	20,390.19	40,133.79	3,389,551.82	52,904.00	17,823.06	35,080.94	7,619.97	2,567.12	5,052.84
13	15-Sep-23	60,523.97	20,151.58	40,372.39	3,349,179.43	52,904.00	17,614.50	35,289.51	7,619.97	2,537.08	5,082.88
14	15-Oct-23	60,523.97	19,269.25	41,254.72	3,307,924.71	52,904.00	16,843.25	36,060.75	7,619.97	2,426.00	5,193.97
15	15-Nov-23	60,523.97	19,666.29	40,857.68	3,267,067.02	52,904.00	17,190.31	35,713.70	7,619.97	2,475.99	5,143.98
16	15-Dec-23	60,523.97	18,796.82	41,727.15	3,225,339.88	52,904.00	16,430.30	36,473.70	7,619.97	2,366.52	5,253.45
17	15-Jan-24	60,523.97	19,175.31	41,348.66	3,183,991.21	52,904.00	16,761.14	36,142.87	7,619.97	2,414.17	5,205.80
18	15-Feb-24	60,523.97	18,877.76	41,646.21	3,142,345.00	52,904.00	16,501.05	36,402.95	7,619.97	2,376.71	5,243.26
19	15-Mar-24	60,523.97	17,428.85	43,095.12	3,099,249.88	52,904.00	15,234.56	37,669.44	7,619.97	2,194.29	5,425.68
20	15-Apr-24	60,523.97	18,375.33	42,148.64	3,057,101.24	52,904.00	16,061.88	36,842.13	7,619.97	2,313.45	5,306.51
21	15-May-24	60,523.97	17,540.74	42,983.23	3,014,118.01	52,904.00	15,332.37	37,571.64	7,619.97	2,208.38	5,411.59
22	15-Jun-24	60,523.97	17,870.59	42,653.38	2,971,464.63	52,904.00	15,620.68	37,283.32	7,619.97	2,249.91	5,370.06

Mantle Materials Group Ltd. Tranche A

V \$ 12,351,146.60 87.41%
 VI \$ 1,778,983.37 12.59%
 \$ 14,130,129.97

\$3,550,000.00 **Valuation Date:** 26-Apr-21

Interest Rate: 7.000% **# of Payments:** 80

Blended payment \$60,523.97 **Amortization:** 72

Fund V

Fund VI

Pymt. #	Date	Total Payment	Interest Portion	Principal Portion	Principal Outstanding	Fund V			Fund VI		
						Total Payment	Interest	Principal	Total Payment	Interest	Principal
23	15-Jul-24	60,523.97	17,049.39	43,474.59	2,927,990.05	52,904.00	14,902.87	38,001.14	7,619.97	2,146.52	5,473.45
24	15-Aug-24	60,523.97	17,359.94	43,164.03	2,884,826.01	52,904.00	15,174.32	37,729.68	7,619.97	2,185.62	5,434.35
25	15-Sep-24	60,523.97	17,104.02	43,419.95	2,841,406.06	52,904.00	14,950.63	37,953.38	7,619.97	2,153.40	5,466.57
26	15-Oct-24	60,523.97	16,303.15	44,220.82	2,797,185.24	52,904.00	14,250.58	38,653.42	7,619.97	2,052.57	5,567.40
27	15-Nov-24	60,523.97	16,584.40	43,939.57	2,753,245.67	52,904.00	14,496.43	38,407.58	7,619.97	2,087.98	5,531.99
28	15-Dec-24	60,523.97	15,797.31	44,726.66	2,708,519.01	52,904.00	13,808.43	39,095.58	7,619.97	1,988.88	5,631.09
29	15-Jan-25	60,523.97	16,058.71	44,465.27	2,664,053.74	52,904.00	14,036.91	38,867.09	7,619.97	2,021.79	5,598.18
30	15-Feb-25	60,523.97	15,838.35	44,685.63	2,619,368.12	52,904.00	13,844.30	39,059.71	7,619.97	1,994.05	5,625.92
31	15-Mar-25	60,523.97	14,065.65	46,458.33	2,572,909.79	52,904.00	12,294.78	40,609.22	7,619.97	1,770.87	5,849.10
32	15-Apr-25	60,523.97	15,296.48	45,227.50	2,527,682.30	52,904.00	13,370.65	39,533.35	7,619.97	1,925.83	5,694.14
33	15-May-25	60,523.97	14,542.83	45,981.14	2,481,701.15	52,904.00	12,711.89	40,192.12	7,619.97	1,830.94	5,789.03
34	15-Jun-25	60,523.97	14,754.22	45,769.75	2,435,931.40	52,904.00	12,896.67	40,007.34	7,619.97	1,857.56	5,762.41
35	15-Jul-25	60,523.97	14,014.95	46,509.03	2,389,422.38	52,904.00	12,250.47	40,653.54	7,619.97	1,764.48	5,855.49
36	15-Aug-25	60,523.97	14,205.61	46,318.37	2,343,104.01	52,904.00	12,417.12	40,486.88	7,619.97	1,788.49	5,831.48
37	15-Sep-25	60,523.97	13,930.23	46,593.74	2,296,510.27	52,904.00	12,176.42	40,727.59	7,619.97	1,753.82	5,866.15
38	15-Oct-25	60,523.97	13,212.80	47,311.17	2,249,199.10	52,904.00	11,549.31	41,354.70	7,619.97	1,663.49	5,956.48
39	15-Nov-25	60,523.97	13,371.95	47,152.02	2,202,047.08	52,904.00	11,688.42	41,215.58	7,619.97	1,683.53	5,936.44
40	15-Dec-25	60,523.97	12,669.31	47,854.66	2,154,192.42	52,904.00	11,074.25	41,829.76	7,619.97	1,595.07	6,024.90
41	15-Jan-26	60,523.97	12,807.12	47,716.86	2,106,475.56	52,904.00	11,194.70	41,709.30	7,619.97	1,612.42	6,007.55
42	15-Feb-26	60,523.97	12,523.43	48,000.54	2,058,475.02	52,904.00	10,946.73	41,957.27	7,619.97	1,576.70	6,043.27
43	15-Mar-26	60,523.97	11,053.73	49,470.24	2,009,004.77	52,904.00	9,662.06	43,241.94	7,619.97	1,391.66	6,228.30
44	15-Apr-26	60,523.97	11,943.95	48,580.03	1,960,424.75	52,904.00	10,440.20	42,463.80	7,619.97	1,503.74	6,116.23
45	15-May-26	60,523.97	11,279.16	49,244.82	1,911,179.93	52,904.00	9,859.11	43,044.89	7,619.97	1,420.05	6,199.92

Mantle Materials Group Ltd. Tranche A

V	\$ 12,351,146.60	87.41%
VI	\$ 1,778,983.37	12.59%
	<u>\$ 14,130,129.97</u>	

\$3,550,000.00 **Valuation Date:** 26-Apr-21

Interest Rate: 7.000% **# of Payments:** 80

Blended payment \$60,523.97 **Amortization:** 72

Fund V

Fund VI

Pymt. #	Date	Total Payment	Interest Portion	Principal Portion	Principal Outstanding	Fund V			Fund VI		
						Total Payment	Interest	Principal	Total Payment	Interest	Principal
46	15-Jun-26	60,523.97	11,362.36	49,161.62	1,862,018.31	52,904.00	9,931.84	42,972.17	7,619.97	1,430.52	6,189.45
47	15-Jul-26	60,523.97	10,712.98	49,810.99	1,812,207.32	52,904.00	9,364.22	43,539.79	7,619.97	1,348.76	6,271.20
48	15-Aug-26	60,523.97	10,773.94	49,750.03	1,762,457.29	52,904.00	9,417.51	43,486.50	7,619.97	1,356.44	6,263.53
49	15-Sep-26	60,523.97	10,478.17	50,045.80	1,712,411.49	52,904.00	9,158.97	43,745.04	7,619.97	1,319.20	6,300.77
50	15-Oct-26	60,523.97	9,852.23	50,671.74	1,661,739.75	52,904.00	8,611.83	44,292.17	7,619.97	1,240.40	6,379.57
51	15-Nov-26	60,523.97	9,879.38	50,644.59	1,611,095.16	52,904.00	8,635.57	44,268.43	7,619.97	1,243.81	6,376.15
52	15-Dec-26	60,523.97	9,269.31	51,254.66	1,559,840.50	52,904.00	8,102.31	44,801.70	7,619.97	1,167.01	6,452.96
53	15-Jan-27	60,523.97	9,273.57	51,250.40	1,508,590.10	52,904.00	8,106.03	44,797.98	7,619.97	1,167.54	6,452.43
54	15-Feb-27	60,523.97	8,968.88	51,555.09	1,457,035.01	52,904.00	7,839.70	45,064.31	7,619.97	1,129.18	6,490.79
55	15-Mar-27	60,523.97	7,824.08	52,699.89	1,404,335.11	52,904.00	6,839.03	46,064.98	7,619.97	985.05	6,634.92
56	15-Apr-27	60,523.97	8,349.06	52,174.91	1,352,160.20	52,904.00	7,297.91	45,606.09	7,619.97	1,051.15	6,568.82
57	15-May-27	60,523.97	7,779.55	52,744.42	1,299,415.78	52,904.00	6,800.11	46,103.90	7,619.97	979.45	6,640.52
58	15-Jun-27	60,523.97	7,725.29	52,798.68	1,246,617.10	52,904.00	6,752.68	46,151.33	7,619.97	972.61	6,647.35
59	15-Jul-27	60,523.97	7,172.32	53,351.66	1,193,265.44	52,904.00	6,269.32	46,634.68	7,619.97	902.99	6,716.97
60	15-Aug-27	60,523.97	7,094.21	53,429.76	1,139,835.68	52,904.00	6,201.05	46,702.96	7,619.97	893.16	6,726.81
61	15-Sep-27	60,523.97	6,776.56	53,747.42	1,086,088.26	52,904.00	5,923.39	46,980.62	7,619.97	853.17	6,766.80
62	15-Oct-27	60,523.97	6,248.73	54,275.25	1,031,813.02	52,904.00	5,462.01	47,441.99	7,619.97	786.71	6,833.25
63	15-Nov-27	60,523.97	6,134.34	54,389.63	977,423.39	52,904.00	5,362.03	47,541.98	7,619.97	772.31	6,847.65
64	15-Dec-27	60,523.97	5,623.53	54,900.44	922,522.94	52,904.00	4,915.53	47,988.48	7,619.97	708.00	6,911.97
65	15-Jan-28	60,523.97	5,484.59	55,039.38	867,483.56	52,904.00	4,794.08	48,109.93	7,619.97	690.51	6,929.46
66	15-Feb-28	60,523.97	5,143.28	55,380.70	812,102.86	52,904.00	4,495.74	48,408.27	7,619.97	647.54	6,972.43
67	15-Mar-28	60,523.97	4,504.29	56,019.69	756,083.18	52,904.00	3,937.20	48,966.81	7,619.97	567.09	7,052.88
68	15-Apr-28	60,523.97	4,482.79	56,041.18	700,041.99	52,904.00	3,918.41	48,985.60	7,619.97	564.38	7,055.59

Mantle Materials Group Ltd. Tranche A

V	\$	12,351,146.60	87.41%
VI	\$	1,778,983.37	12.59%
	\$	14,130,129.97	

\$3,550,000.00	Valuation Date:	26-Apr-21
Interest Rate:	7.000%	# of Payments: 80
Blended payment	\$60,523.97	Amortization: 72

						Fund V			Fund VI		
Pymt.		Total	Interest	Principal	Principal						
#	Date	Payment	Portion	Portion	Outstanding	Total Payment	Interest	Principal	Total Payment	Interest	Principal
69	15-May-28	60,523.97	4,016.63	56,507.34	643,534.65	52,904.00	3,510.94	49,393.06	7,619.97	505.69	7,114.27
70	15-Jun-28	60,523.97	3,815.49	56,708.48	586,826.17	52,904.00	3,335.12	49,568.88	7,619.97	480.37	7,139.60
71	15-Jul-28	60,523.97	3,367.04	57,156.94	529,669.24	52,904.00	2,943.13	49,960.88	7,619.97	423.91	7,196.06
72	15-Aug-28	60,523.97	3,140.39	57,383.58	472,285.65	52,904.00	2,745.01	50,158.99	7,619.97	395.37	7,224.59
73	15-Sep-28	60,523.97	2,800.16	57,723.81	414,561.84	52,904.00	2,447.62	50,456.38	7,619.97	352.54	7,267.43
74	15-Oct-28	60,523.97	2,378.63	58,145.34	356,416.50	52,904.00	2,079.16	50,824.84	7,619.97	299.47	7,320.50
75	15-Nov-28	60,523.97	2,113.18	58,410.79	298,005.71	52,904.00	1,847.13	51,056.87	7,619.97	266.05	7,353.92
76	15-Dec-28	60,523.97	1,709.87	58,814.10	239,191.61	52,904.00	1,494.60	51,409.41	7,619.97	215.27	7,404.70
77	15-Jan-29	60,523.97	1,418.16	59,105.82	180,085.79	52,904.00	1,239.61	51,664.39	7,619.97	178.55	7,441.42
78	15-Feb-29	60,523.97	1,070.65	59,453.33	120,632.46	52,904.00	935.85	51,968.15	7,619.97	134.79	7,485.17
79	15-Mar-29	60,523.97	647.78	59,876.19	60,756.27	52,904.00	566.22	52,337.78	7,619.97	81.56	7,538.41
80	26-Apr-29	61,245.65	489.38	60,756.27	0.00	53,534.82	427.77	53,107.06	7,710.83	61.61	7,649.21
								3,103,055.00			446,945.00

Mantle Tranche D

V	\$ 12,351,146.60	87.41%
VI	\$ 1,778,983.37	12.59%
	<u>\$ 14,130,129.97</u>	

Principal Amount:	\$150,000.00	Valuation Date:	26-Apr-21
Interest Rate:	7.000%	# of Payments:	6
Blended payment	N/A	Amortization:	N/A

Pymt. #	Date	Total Payment	Interest Portion	Principal Portion	Principal Outstanding	Fund V			Fund VI		
						Total Payment	Interest	Principal	Total Payment	Interest	Principal
0	26-Apr-21	0.00	0.00	0.00	150,000.00	-	-	-	-	-	-
1	15-May-21	528.03	528.03	0.00	150,000.00	461.55	461.55	-	66.48	66.48	-
2	15-Jun-21	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
3	15-Jul-21	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
4	15-Aug-21	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
5	15-Sep-21	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
6	15-Oct-21	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
7	15-Nov-21	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
8	15-Dec-21	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
9	15-Jan-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
10	15-Feb-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
11	15-Mar-22	805.48	805.48	0.00	150,000.00	704.07	704.07	-	101.41	101.41	-
12	15-Apr-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
13	15-May-22	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
14	15-Jun-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
15	15-Jul-22	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
16	15-Aug-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
17	15-Sep-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
18	26-Oct-22	151,179.45	1,179.45	150,000.00	0.00	132,145.96	1,030.96	131,115.00	19,033.49	148.49	18,885.00

**SCHEDULE F
MATERIAL AGREEMENTS**

1. 216 Dispositions

- (a) Surface Material Lease No. 080085 in favour of 216 dated April 26, 2012 in respect of Aggregate Pit JLG 3 located within NW-12-63-19 W4M and SW-13-63-19 W4M.
- (b) Surface Material Lease No. 100085 in favour of 216 dated June 24, 2016 in respect of Aggregate Pit JLG 4 located within NE-12-63-19 W4M and NW-12-63-19 W4M.
- (c) Surface Material Lease No. 110025 in favour of 216 dated February 11, 2014 in respect of Aggregate Pit JLG 5 located within NE-11-61-18 W4M.
- (d) Surface Material Lease No. 110026 in favour of 216 dated April 11, 2012 in respect of Aggregate Pit JLG 6 located within SE-11-61-18 W4M.
- (e) Surface Material Lease No. 110045 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 7 located within SE-15-61-18 W4M and NE-15-61-18 W4M.
- (f) Surface Material Lease No. 110046 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 8 located within NE-15-61-18 W4M and NW-15-61-18 W4M.
- (g) Surface Material Lease No. 120006 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 11 located within NW-14-61-18 W4M.
- (h) Surface Material Lease No. 120100 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 12 located within SE-21-61-18 W4M.
- (i) Surface Material Lease No. 110047 in favour of 216 located within SE-15-61-18 W4M, SW-15-61-18 W4M, and NW-15-61-18 W4M.
- (j) Surface Material Lease No. 120005 in favour of 216 located within SW-14-61-18 W4M and NW-14-61-18 W4M.
- (k) Surface Material Lease No. 060060 in favour of 216 located within SW-13-65-18-W4M.
- (l) Department Licence of Occupation 170011 in favour of 216 located within SE-13-65-18-W4M and SW-13-65-18-W4M.

2. JMB Dispositions

- (a) Surface Material Lease No. 120027 in favour of JMB located within SW-30-63-08-W4M.
- (b) Surface Material Lease No. 930040 in favour of JMB located within SE-23-61-07-W4M.

- (c) Surface Material Lease 980116 in favour of JMB located within SW-21-63-12-W4M.
- (d) Department Miscellaneous Lease 120032 in favour of JMB located within NW-20-74-8-W4M.
- (e) Surface Materials Exploration 150106 in favour of JMB located within SW-26-75-11-W4M, SE-34-75-11-W4M, NW-23-75-11-W4M, NE-27-75-11-W4M, SW-35-75-11-W4M, and NW-26-75-11-W4M.
- (f) Surface Materials Exploration 200009 in favour of JMB located within NE-30-81-6-W4M, NE-31-81-6-W4M, SE-31-81-6-W4M, and SW-31-81-6-W4M.

3. **Royalty Agreements**

- (a) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge Canada Inc. ("**Lafarge**") in respect of the Aggregate Pit referred to as Moose River for which Lafarge has a surface material lease identified as SML 100043 located at SW-35-61-7-W4M and having 18.46 acres.
- (b) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge in respect of the Aggregate Pit referred to as Oberg for which Lafarge had registration number 15215-01-01 located on lands described as SE-5-62-7-W4 and having 159.88 acres.
- (c) Royalty Agreement made as of October 29, 2018 between JMB and Jerry Shankowski (945441 Alberta Ltd.) in respect of an Aggregate Pit located at SW 21-56-7-W4, which Aggregate Pit is registered under the EPEA as registration no. 308161-00-00.
- (d) Royalty Agreement made as of November 8, 2018 between Helen Havener, Gail Havener and JMB in respect of the Aggregate Pit located at NW 16-56-7-W4M, which Aggregate Pit is registered under the EPEA as registration no. 17395-01-00.
- (e) Royalty Agreement made as of February 26, 2020 between Darren Andrychuk & Daphne Andrychuk and JMB in respect of the Aggregate Pit located at SW 15-57-14-W4.

4. **Other Contracts**

- (a) Lease dated September 1, 2011 between 489786 Alberta Ltd., as landlord, and JMB, as tenant, as amended September 3, 2015, December 12, 2016, February 26, 2018 and March 1, 2020, in respect of the lands and premises located at NW-20-61-5-4 in Bonnyville, Alberta.
- (b) Supply agreement entered into November 1, 2013 between the Municipal District of Bonnyville No. 87 and JMB, as amended by the first amendment dated September 30, 2015, the second amendment dated December 12, 2016, the third amendment dated February 26, 2018, and the amendment to agreement dated February 28, 2020.

- (c) Cenovus Energy master service and supply agreement 700322 effective as of March 13, 2020 between Cenovus Energy Inc. and JMB.
- (d) Commitment Letter dated January 8, 2018 between Canadian Western Bank and 216, as amended, together with all cash collateral security delivered in connection therewith and the rights of the Vendors in respect of the letters of credit issued by Canadian Western Bank thereunder, including:
 - i. the letter of credit in the amount of \$19,540 issued in connection with the 216 Disposition identified as SML 080085;
 - ii. the letter of credit in the amount of \$42,010 issued in connection with the 216 Disposition identified as SML 100085;
 - iii. the letter of credit in the amount of \$79,690 issued in connection with the 216 Disposition identified as SML 110025;
 - iv. the letter of credit in the amount of \$77,540 issued in connection with the 216 Disposition identified as SML 110026;
 - v. the letter of credit in the amount of \$57,030 issued in connection with the 216 Disposition identified as SML 110045;
 - vi. the letter of credit in the amount of \$44,380 issued in connection with the 216 Disposition identified as SML 110046;
 - vii. the letter of credit in the amount of \$25,690 issued in connection with the 216 Disposition identified as SML 120006;
 - viii. the letter of credit in the amount of \$29,650 issued in connection with the 216 Disposition identified as SML 120100;
 - ix. the letter of credit in the amount of \$46,110 issued in connection with the 216 Disposition identified as SML 110047;
 - x. the letter of credit in the amount of \$78,110 issued in connection with the 216 Disposition identified as SML 120005; and
 - xi. the letter of credit in the amount of \$41,440 issued in connection with the 216 Disposition identified as SML 060060;
- (c) Contracts granting a licence or other right to use the Axon software, the ISNetwork software and the software provided by ComplyWorks Ltd..
- (d) Non-competition agreement dated March 22, 2019 between 541466 Alberta Ltd., Lisa Ball, Gordon Ball, and JMB.
- (e) Master Equity Vehicle Lease Agreement dated August 23, 2019 between Enterprise Fleet Management Canada, Inc. and JMB, together with Open-End (Equity) Lease Schedule in respect of 2019 Ford, Model F-150, Series XLT 4x4 SuperCrew Cab Styleside 6.5, 1FTFW1E52KFC66669.

**SCHEDULE G
LANDS**

Pit/Agreement Name	Primary Market Served	SML #	Ownership / Lease Type	Expiration Date
216 SML Gravel Pits				
JLG 7	Smoky Lake	110045	SML	17/03/2025
JLG 6	Smoky Lake	110026	SML	10/04/2022
JLG 8	Smoky Lake	110046	SML	17/03/2025
JLG 5	Smoky Lake	110025	SML	10/02/2024
JLG 12	Smoky Lake	120100	SML	04/10/2027
JLG 4	Thorhild	100085	SML	23/06/2026
JLG 3	Thorhild	080085	SML	25/04/2022
JLG 11	Smoky Lake	120006	SML	04/10/2027
JLG 9	Smoky Lake	110047	SML	17/3/2025
JLG10	Smoky Lake	120005	SML	4/10/2027
	Smoky Lake	060060	SML	27/5/2024
JMB SML Gravel Pits				
		120027	SML	
		930040	SML	
		980116	SML	
Royalty Gravel Pits				
Shankowski Royalty Agreement	Bonnyville / Cold Lake	Private	Royalty Agreement	19/10/2028
Oberg	Bonnyville / Cold Lake	15215-01-01	Royalty Agreement	01/07/2024
Moose River	Bonnyville / Cold Lake	100043	Royalty Agreement	01/07/2024 06/01/2023
Andrychuk Royalty Agreement	Bonnyville / Cold Lake	Private	Royalty Agreement	26/02/2030
Havener Royalty Agreement	NW 16-56-7-W4	Elk Point	Royalty Agreement	Freehold
Owned Gravel Pit and Other				
JMB	Bonnyville / Cold Lake	Private	JMB-Owned	Freehold
Gagne	Bonnyville / Cold Lake	Private	JMB-Owned	Freehold
Bonnyville Premises lease	Bonnyville / Cold Lake			Leased premises

**SCHEDULE H
OWNERSHIP STRUCTURE**

Name	Jurisdiction of Incorporation/ Formation	Holder of Equity Interest	Province of Chief Executive Office	Relevant Jurisdictions of Collateral
Mantle Materials Group, Ltd.	British Columbia	RLF Canada Holdings Limited	Alberta	Alberta
JMB Crushing Systems Inc.	British Columbia	RLF Canada Holdings Limited	Alberta	Alberta
2161889 Alberta Ltd.	Alberta	JMB Crushing Systems Inc.	Alberta	Alberta

**SCHEDULE I
FIERA EQUIPMENT**

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
2001	Travco		5-Unit Wellsite Camp each unit 12' x 56'	1256110534, 1256110533, 1256110532, 1256110531, 1256110530
2007	Bold Developments		12' x 56' Wellsite	T06-012
2007	Arctic		10' x 30' Tri-Axle Wellsite Trailer	2GRTV30T975073015
2007	Arctic		10' x 30' Tri-Axle Wellsite Trailer	2GRTN30T075070316
2007	Britco		12' x 62' 6-Sleeper Wellsite	07066-3
2007	Britco		12' x 62' 6-Sleeper Wellsite	07066-8
2007	Britco		12' x 62' 6-Sleeper Wellsite	07066-9
2015	Stratis		2,500 Gallon Water Storage Tank	SOSWS035
2014	Komatsu	HM400-3	44 ton Off-Highway Articulated Dump Truck	3384
2014	Komatsu	HM400-3	44 ton Off-Highway Articulated Dump Truck	3578
2014	Komatsu	HM400-3	44 ton Off-Highway Articulated Dump Truck	3420
2006	Volvo	L180E	Articulated Wheel Loader	L180EV8273
2008	Caterpillar	988H	Articulated Wheel Loader	CAT0988HCBXY02382
2006	Volvo	L180E	Articulated Wheel Loader	L180EV8379
1999	Komatsu	WA450-3	Articulated Wheel Loader	53372
2012	Caterpillar	988H	Articulated Wheel Loader	CAT0988HABXY05172
2012	Caterpillar	246C	Skid Steer Loader	CAT0246CJJAY07005
2012	Caterpillar	246C	Skid Steer Loader	CAT0246CVJAY08691
2013	Volvo	L220G	Articulated Wheel Loader	VCEL220GC00012444
2013	Volvo	L220G	Articulated Wheel Loader	VCEL220GA00012852
2009	Volvo	L220F	Articulated Wheel Loader	VCEL220FP00006937
2004	Caterpillar	D6N LGP	Crawler Dozer	ALY01814
2005	Daewoo	Solar 470LC-V	Crawler Excavator	1357
1996	Hitachi	EX55UR	Mini Crawler Excavator	1BG-02075
2012	Caterpillar	345D	Crawler Excavator	CAT0345DJEEH01226
2009	Caterpillar	160M	Motor Grader	CAT0160MAB9E00358
2001	Toyota	7FGU30	6,000 lb LP Gas Lift Truck	61607
2001	Caterpillar	535B	Grapple Skidder	AAE00408
1996	Grizzly	250-5	250 kw Diesel Generator	
2014	Wacker	G100	80 kw Generator	20278208
	Ingersoll-Rand		20 kw Portable Light Tower	
2006	Terex Amida	AL5200D-4MH	20 kw Portable Light Tower	G0F-24939
2014	Wacker	LTW20	20 kw Portable Light Tower	20239723
2014	Wacker	LTW20	20 kw Portable Light Tower	20239727
2014	Wacker	LTW20	20 kw Portable Light Tower	20241937
	Frontier	PT4000K	20 kw Portable Light Tower	PTS2002-33
2006	Ingersoll-Rand		6 kw Portable Light Tower	372495UFQC13
2004	Precision		95 ton Truck Scale	
2015	Precision		100 ton Truck Scale	15-589
1980	Midland		48' Tandem Axle Van Trailer	2ATD10186AM110007
1979	Fruehauf	FP9F1271	28' Single Axle Van Trailer	DXV180718
1999	Manac	Super B	Tri-Axle Tool Van Trailer	2M5931033X1062925
2004	Detroit Diesel	Series 60	Diesel Generator	6R753345
1998	Stamford		60 kw Portable Diesel Generator	E980749726
2004	Elrus	25YD3 SB	25-Cubic Yard Portable Surge Bin	M3461ER04SB
2008	Kolberg- Pioneer	L3-36125	36" x 125' Portable Telescopic Radial Stacking Belt Conveyor	407136

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
2006	Powerscreen		36" x 80' Portable Folding Stacking Belt Conveyor	6002232
2008	Kolberg-Pioneer		36" x 70' Portable Belt Conveyor	408560
2004	Elrus		36" x 60' Portable Belt Conveyor	M3445ER04PC
2004	Elrus	36X60FT-PC	36" x 60' Portable Belt Conveyor	M3446ER04PC
	Thor	T150-8	150' Portable Telescopic Radial Stacking Belt Conveyor	1846
	Tyalta		42" x 60' Portable Belt Conveyor	144260350
2010	CEC		30" x 60' Portable Belt Conveyor	30600606-J
			36" x 40' Portable Belt Conveyor	36400706-J
2004	Elrus	6X20-3D SC	6' x 20' Portable Screen Plant	M3499ER04SP
2008	Clemro Industries, Ltd.		Portable Jaw Crusher	1498-4127
2011	Clemro Industries, Ltd.		Portable Low Profile Belt Feeder	1679-4599
			15,000 liter Fuel Tank	
	Westeel		15,000 Gallon Fuel Tank	641500334
	Westeel		1,000 Gallon Double-Walled Steel Fuel Tank	671301089
	Westeel		1,000 Gallon Double-Walled Steel Fuel Tank	671502620
		TH5G00	2,200 liter Double-Walled Steel Fuel Tank	
		TH5G00	2,200 liter Double-Walled Steel Fuel Tank	
2008	Dodge	Ram 2500HD	Mega Cab Flatbed Truck	3D7KS29D78G155808
2008	Ford	F350 Super Duty XL	Crew Cab Flatbed Truck	1FTWW31568ED84921
2008	Ford	F350 Super Duty XLT	Crew Cab Flatbed Truck	1FTWW31598EE44965
2012	Ford	F250 Super Duty XLT	Crew Cab Pickup Truck	1FT7W2B69CEB71377
2012	Ford	F250 Super Duty XLT	Crew Cab Pickup Truck	1FT7W2B61CEB76184
2012	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF2CFA97764
2012	Ford	F350 Super Duty	Crew Cab Pickup Truck	1FT8W3B60CEA94375
2012	Ford	F350 Super Duty	Crew Cab Pickup Truck	1FT8W3B60CEB56034
2008	Peterbilt	367	Tri-Drive Conventional Tractor	1NPTX4EX48D737575
2009	Peterbilt	367	Tandem Axle Dump Truck	1NPTL40X19D778993
2009	Kenworth	T800	Tri-Drive Dump Truck	1XKDP40X49R941482
2009	Peterbilt	367	Tri-Drive Conventional Tractor	1XPTP40X79D789572
2013	Peterbilt	337	Single Axle Mechanics Truck	2NP2HN8X1DM205263
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X6FD284564
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X8FD284565
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0XXFD284566
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X1FD284567
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X3FD284568
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X5FD284569
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X1FD284570
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X3FD284571
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X5FD284572
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X7FD284573
2013	Peterbilt	367	Tri-Drive Winch Tractor	1XPTP4TX9DD184358
1997	Freightliner	FL60	Single Axle Service Truck	1FV6GJBA0VHH80602
2014	Peterbilt	348	Tandem Axle Water Truck	2NP3LJ0X2EM242007
1996	Arrow		Tandem Axle Jeep	259CSCB2XT1073252

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
1994	Arnes		Tandem Axle 16-Wheel Jeep	AR804203
2000	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9D54C37YL017498
2000	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B31YL017499
2006	Arnes		Quad-Axle End Dump Pup Trailer	2A92142466A003242
2006	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9DS4C476L017782
2006	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B326L017783
2006	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9DS4C406L017784
2006	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B366L017785
2006	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9DS4C446L017786
2006	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B3X6L017787
2007	Arnes		Tri-Axle End Dump Trailer	2A90737307A003528
2008	Arnes		Quad-Axle End Dump Pup Trailer	2A92142498A003884
2008	Arnes		Quad-Axle End Dump Pup Trailer	2A92142408A003885
2008	Load Max		20' Tandem Axle Equipment Trailer	5L8PH202681013062
2009	Arnes		Tri-Axle End Dump Trailer	2A90737359A003298
2009	Arnes		Tri-Axle End Dump Trailer	2A90737379A003299
2009	Arnes		Tri-Axle End Dump Trailer	2A907373X9A003300
2009	Arnes		Tri-Axle End Dump Trailer	2A90737319A003301
2009	Arnes		Tri-Axle End Dump Trailer	2A90737339A003302
2009	Arnes		Quad-Axle End Dump Pup Trailer	2A92142499A003238
1999	Argo		8' x 21' Tandem Axle Cargo Trailer	2AABDE821X1000122
2008	Doepker		Tri-Axle End Dump Trailer	2DEGEDZ3381023677
2006	Doepker		Tri-Axle Scissor Neck Lowboy Trailer	2DESNSZ3161018845
2015	Arnes		Tri-Axle End Dump Trailer	2A9074131FA003583
1997	Roadmaster		Tri-Axle Trombone Step Deck Trailer	2T9DF513XV1011230
2013	Lode King	SDS53-3	40 ton Tri-Axle Scissor Neck Lowboy Trailer	2LDSD5331DS055478
1980	Willock		Single Axle Float Trailer	2ATA06238AM107038
1999	Manac		Tandem Axle Lube & Tool Van Trailer	2M5920884X1062932
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31518EE16691
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31598ED98117
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31538EE44962
2012	Dodge	Ram 2500 SLT	Crew Cab Pickup Truck	3C6TD5JT2CG113379
			Engine identified as TT009	
			Engine identified as TT002	
			Equipment identified as PT003	
			Equipment identified as TV100 and TV101	
			Dump box identified as TR006	
			3 Terex portable light towers	
	Maxi		2 portable light towers	
	Isuzu		20 kw generator	
	Volvo		360 kw generator	
2007	Peterbilt	379	379 Tandem Axle Winch Tractor	1NP5L40X77D742313
2007	Clemro Industries, Ltd.	BF100	Portable Belt Feeder	1463-4120
2009	Terex Amida	AL5200D-4MH	20 kw Portable Light Tower	E0F-09186
2006	Terex Amida	AL5200D-4MH	20 kw Portable Light Tower	4ZJSL151161H23687
2006	Allmand	Maxi Lite 15330	15 kw Portable Light Tower	0425MXL06
2006	Allmand	Maxi Lite 15330	15 kw Portable Light Tower	058ML03
1998	Stamford	360 kw	Diesel Generator	106V3257
1997	Great Dane	7911TJW-53	53' Tandem Axle Control Van Trailer	1GRAA0625VB117102

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
1999	Elrus	2434	36" x 125' Portable Telescopic Radial Stacking Belt Conveyor	ER99PC1524
2012	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF0CFA97763
2015	Arnes		Tri-Axle End Dump Trailer	2A9073731FA003598
2015	Arnes		Tri-Axle End Dump Trailer	2A9073730FA003575
2015	Arnes		Tri-Axle End Dump Trailer	2A9073738FA003596
2015	Arnes		Tri-Axle End Dump Trailer	2A907373XFA003597
2013	Arnes		40 ton Tri-Axle Scissor Neck Lowboy Trailer	2A9125335DA003461
2015	Arnes		50 ton Tri-Axle Lowboy Trailer	2A9105630FA003016
2007	Dodge	Ram 3500HD	Quad Cab Pickup Truck	3D7MX48A27G781634
2006	Isuzu	20 kw	Diesel Generator	198196/X06D170482
2007	Dodge	3500HD	Diesel Pickup (not running)	3D7MX48A27G781634
2012	Ford	F150	XL T Pick up Truck	1FTFW1 EF0CFA97763
1997	Great Dane		Power Van plus Tower (Serial Number M3243ER03CT)	1GRAA0625VB117102
2004	Detroit		Series 60 Generator	06R0753345
2008	Kolberg-Pioneer	L3-36125	125' Conveyor	407136
1999	Elrus	2434	125' radial stacking belt conveyor	ER99PC1524 M#2434
			Misc spare crusher parts	
1996	Arrow		Jeep	2L9CSCB2XT1078252
2015	Arnes		End Dump Trailer (Trombone 375)	2A9074131FA003583
2015	Arnes		Tri-Axle End Dump Trailer	2A9073732FA003576
2015	Arnes		Tri-Axle End Dump Trailer	2A9073733FA003599
2013	MTU Onsite Energy	DP550D65-AH1484	550-kW Diesel Generator	366258101013
2015	Arnes		End Dump Trailer	2A9073738FA00359

**SCHEDULE J
ENVIRONMENTAL PROTECTION ORDERS (“EPO”)
AND ENFORCEMENT ORDERS (“EO”)**

Pit	EPO	EO
MacDonald	EPO-EPEA-35659-01	-
Megley	02	-
Kucy	03	-
Havener	04	-
Buksa	05	-
Okane	06	-
SML 060060	07	EO-WA-35659-01
SML 930040	08	-
SML 980116	09	-
SML 120027	10	-
TOTAL	10	1

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT is dated and made effective as of the 19 day of October, 2022.

AMONG:

MANTLE MATERIALS GROUP, LTD.

as Borrower

- and -

FIERA PRIVATE DEBT FUND VI LP, by its general partner **FIERA PRIVATE DEBT FUND GP INC.** (“Fund V”), and **FIERA PRIVATE DEBT FUND VI LP**, by its general partner **FIERA PRIVATE DEBT FUND GP INC.**, with Fiera V acting as collateral agent for and on behalf of and for the benefit of the Lenders

as Lenders

PREAMBLE

WHEREAS the predecessors of the Borrower, being Mantle Materials Group, Ltd., JMB Crushing Systems Inc., and 2161889 Alberta Ltd., and the Lenders entered into that certain loan agreement dated April 26, 2021 (as may have been amended, restated, supplemented, revised, replaced, extended or otherwise modified from time to time prior to the date hereof, the “**Existing Loan Agreement**”);

AND WHEREAS the Borrower has requested and the Lenders have agreed to amend certain terms and conditions of the Existing Loan Agreement, as more particularly described herein;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Existing Loan Agreement, as amended by this First Amendment (as amended, restated, supplemented, revised, replaced, extended or otherwise modified from time to time, the “**Loan Agreement**”).

ARTICLE II – AMENDMENTS TO THE EXISTING LOAN AGREEMENT

- 2.1 With effect on the First Amendment Effective Date (hereinafter defined), the Existing Loan Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the conformed Loan Agreement attached hereto as Exhibit A.

ARTICLE III – CONDITIONS TO EFFECTIVENESS

- 3.1 This First Amendment shall become effective upon the satisfaction of each of the following conditions precedent (such date being referred to herein as the “**First Amendment Effective Date**”):
- (a) the recitals to this First Amendment shall be true and correct;
 - (b) the Lenders shall have received and be satisfied with the results of recent personal property, bankruptcy, litigation and other searches with respect to the Borrower in all jurisdictions required by the Lenders;
 - (c) the Borrower shall have delivered satisfactory evidence to the Lenders that Travelers Capital Corp. (“**Travelers**”) has provided a 9-month deferral of principal payments from October 1, 2022 until June 30, 2023, in respect of its loans to the Borrower pursuant to a loan and security agreement dated as of October 8, 2021 between Travelers, as lender, and the Borrower, as borrower;
 - (d) the Borrower shall have delivered to the Lenders a duly executed version of this First Amendment;
 - (e) the Borrower shall have delivered to the Lenders a duly executed version of the Subordination Agreement dated concurrently herewith among the Borrower, RLF Canada Lender Limited and the Lenders;
 - (f) the Borrower shall have delivered a certificate of an officer of the Borrower dated as of the First Amendment Effective Date, and certifying (i) copies of the resolutions of the Board of Directors of the Borrower, approving, inter alia, this First Amendment and the transactions contemplated herein, (ii) the name, title and true signature of each officer of such Person authorized to execute this First Amendment, (iii) that attached thereto is a true and complete copy of the articles of incorporation and bylaws of the Borrower as amended to date, and (iv) a recent certificate of status or analogous certificate;
 - (g) the Lender shall have received a currently dated opinion, addressed to the Lenders in form and substance satisfactory to the Lenders and the Lenders’ counsel, acting reasonably and in accordance with customary opinion practise, from counsel for the Loan Parties, and such other local counsel to the Loan Parties as the Lenders may reasonably require and opining to such matters as the Lender or its solicitors may require;
 - (h) nothing shall have occurred (nor shall any Lender become aware of any facts not previously known), which the Lenders determine is reasonably likely to result in or have a Material Adverse Change since the date of the latest financial statements provided by the Borrower to the Lenders;
 - (i) the Lenders shall be satisfied that there is no pending judicial, administrative or other proceedings, investigations or litigation which seek to adjourn, delay, enjoin, prohibit or impose material limitations on any aspect of the transactions contemplated by this First Amendment;
 - (j) the Lenders shall be satisfied that the Borrower has not:

- (i) made an assignment in bankruptcy, made a proposal to its creditors or filed notice of its intention to do so, instituted any other proceeding under Applicable Law seeking to adjudicate it a bankrupt or an insolvent, or seeking liquidation, dissolution, winding up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors, composition of it or its debts or any other similar relief; or
- (ii) applied for the appointment of or the taking of possession by, a receiver, interim receiver, receiver/manager, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for its or a substantial part of its property; or
- (iii) had a petition filed, application made or other proceeding instituted against or in respect of it in any jurisdiction seeking any of the results described in (i) or (ii), above.

ARTICLE IV – FEES

- 4.1 The Borrower acknowledges and agrees to pay a loan amendment fee in the amount of \$49,500 to the Lenders, which is fully earned on the First Amendment Effective Date and payable in three installments of \$16,500 each on February 15, 2023, March 15, 2023 and April 15, 2023.

ARTICLE V – REPRESENTATIONS AND WARRANTIES

- 5.1 The Borrower represents and warrants to the Lenders that the following statements are true, correct and complete:
- (a) Authorization, Validity, and Enforceability of this First Amendment. The Borrower has the power and authority to execute and deliver this First Amendment and to perform its obligations under this First Amendment and the Loan Agreement. The Borrower has taken all necessary action (including, without limitation, obtaining approval of its shareholders if necessary) to authorize the execution and delivery of this First Amendment, and the performance of its obligations under this First Amendment and the Loan Agreement. This First Amendment has been duly executed and delivered by the Borrower, and this First Amendment and the Loan Agreement constitutes legal, valid and binding obligations of the Borrower, enforceable against it in accordance with its respective terms without defence, compensation, setoff or counterclaim. The Borrower's execution and delivery of this First Amendment, and the performance by the Borrower of its obligations under this First Amendment and the Loan Agreement do not and will not conflict with, or constitute a violation or breach of, or constitute a default under, or result in the creation or imposition of any lien upon the property of the Borrower by reason of the terms of (a) any contract, mortgage, hypothec, Encumbrance, lease, agreement, indenture, or instrument to which the Borrower is a party or which is binding on the Borrower, (b) any requirement of law applicable to the Borrower, or (c) the certificate or articles of incorporation or amalgamation or bylaws of the Borrower.
 - (b) Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or other person is necessary or required in connection with the execution, delivery or performance by, or enforcement against the Borrower of this First Amendment or the Loan Agreement

except for such as have been obtained or made and filings required in order to perfect and render enforceable the Lenders' security interests and hypothecs.

- (c) Security. All security delivered to or for the benefit of the Lenders pursuant to the Loan Agreement and the other Loan Documents remains in full force and effect and secures all Obligations of the Borrower under the Loan Agreement and the other Loan Documents to which it is a party.
- (d) No Default. No Default or Event of Default has occurred and is continuing or will result from the entering into of this First Amendment.
- (e) Representations, Warranties and Covenants in Loan Agreement. Upon this First Amendment becoming effective, the Borrower will be in full compliance with all of its covenants in the Loan Agreement and each Loan Document.

ARTICLE VI – MISCELLANEOUS

- 6.1 The Borrower has previously executed certain Loan Documents and it (i) reaffirms and agrees that the Existing Loan Agreement (as amended hereby) and the other Loan Documents to which it is a party remain in full force and effect, (ii) acknowledges and reaffirms all obligations owing by it to the Lenders under the Existing Loan Agreement (as amended hereby) and the other Loan Documents, (iii) reaffirms and agrees that nothing in the Loan Documents obligates the Lenders to seek reaffirmation of the Loan Documents in connection with similar matters in the future, and (iv) reaffirms and agrees that no requirement to so notify the Borrower or to seek the Borrower's reaffirmation in connection with similar matters in the future shall be implied by the execution of this First Amendment.
- 6.2 The amendments in Article II are effective only in this instance and for the specific purpose stated herein. They shall not be, or be deemed to be, a consent to, or waivers of, any preceding or any additional or any subsequent breach or Default or Event of Default of any covenant or provision of the Loan Agreement or any of the other Loan Documents except as expressly provided herein nor shall they operate as waivers of any right, power or remedy of the Lenders under the Loan Agreement and the other Loan Documents.
- 6.3 The Borrower acknowledges and agrees that it is responsible for the payment of all legal fees, disbursements, and taxes thereon reasonably incurred by counsel to the Lenders in respect of this First Amendment, such payment to be made within 5 Business Days of presentation of applicable invoices.
- 6.4 The Borrower hereby absolutely and unconditionally releases and forever discharges the Lenders, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents and employees of any of the foregoing, from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state, provincial or federal law or otherwise, which the Borrower has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this First Amendment, whether such claims, demands and causes of action are matured or unmatured or known or unknown other than claims, liabilities or obligations to the extent caused by a Lender's own gross negligence or willful misconduct.

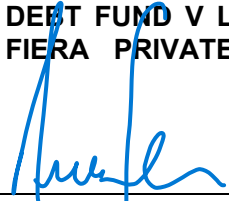
- 6.5 This First Amendment shall be exclusively (without regard to any rules or principles relating to conflicts of laws) construed in accordance with and governed by the laws of the Province of Alberta and the parties hereto hereby attorn to the jurisdiction of the courts thereof.
- 6.6 This First Amendment may be executed in original and/or PDF counterparts and all such counterparts taken together shall be deemed to constitute one and the same agreement.

[Balance of page left blank, signature pages follow]

The parties have executed this First Amendment as of the date first above written.

FIERA PRIVATE DEBT FUND V LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:



Name: Russell French
Title: Managing Director

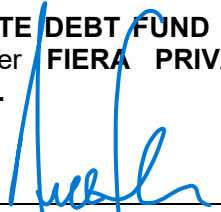
Per:



Name: Brian Ko
Title: Managing Director

FIERA PRIVATE DEBT FUND VI LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:



Name: Russell French
Title: Managing Director

Per:



Name: Brian Ko
Title: Managing Director

MANTLE MATERIALS GROUP, LTD.

Per:

Name:
Title: Authorized Signing Officer

Per:

Name:
Title: Authorized Signing Officer

The parties have executed this First Amendment as of the date first above written.

FIERA PRIVATE DEBT FUND V LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:

Name:

Title:

Per:

Name:

Title:

FIERA PRIVATE DEBT FUND VI LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:

Name:

Title:


Per:

Name:

Title:

MANTLE MATERIALS GROUP, LTD.

Per:



Name: John Jeffrey Ryks

Title: Authorized Signing Officer

Per:

Name:

Title: Authorized Signing Officer

EXHIBIT A
CONFORMED LOAN AGREEMENT

See attached.

LOAN AGREEMENT

THIS AGREEMENT made effective this 26 day of April, 2021.

AMONG:

MANTLE MATERIALS GROUP, LTD., a body corporate duly formed by incorporation under the laws of the Province of British Columbia (hereinafter referred to as "**Mantle**" or the "**Borrower**")

- and -

JMB CRUSHING SYSTEMS INC., a body corporate duly formed by amalgamation under the laws of the Province of British Columbia (hereinafter referred to as "**JMB**")

- and -

2161889 ALBERTA LTD., a body corporate duly formed by incorporation under the laws of the Province of Alberta (hereinafter referred to as "**216**", and together with JMB, the "**Guarantors**", and each a "**Guarantor**")

- 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.** ("**Fund V**", and together with Fund VI, collectively, the "**Lender**")

PREAMBLE

WHEREAS:

- A. Pursuant to the JMB Loan Agreements (as defined herein), the Lender made certain credit facilities available to JMB from time to time, as guaranteed by, *inter alios*, 216 and secured by certain mortgages, charges and security interests.
- B. Fund V and Fund VI, as acknowledged by, *inter alios*, JMB and 216, entered into a collateral agency agreement dated November 5, 2019, pursuant to which Fund V was directed to act as collateral agent and representative for and on behalf of and for the benefit of the Lender (in such capacity, the "**Collateral Agent**") in respect of all security granted by JMB and 216 to the Lender to secure all or any portion of the indebtedness and obligations owing by JMB and 216 to the Lender under the JMB Loan Agreements (the "**Existing Collateral Agency Agreement**");
- C. Pursuant to an Order of the Honourable Madam Justice K.M. Eidsvik of the Court of Queen's Bench of Alberta (the "**Court**") pronounced on May 1, 2020, as amended and restated by an Order pronounced on May 11, 2020 (as amended and restated, the "**Initial Order**"), JMB and 216 were granted protection pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**", and such proceedings, the "**CCAA Proceedings**").

- D. Pursuant to the Purchase Agreement (as hereinafter defined), JMB and 216 agreed to sell the Acquired Assets (as defined in the Purchase Agreement) to Mantle, and Mantle agreed to pay the Purchase Price (as defined in the Purchase Agreement) for the Acquired Assets in part by the assumption of a portion of the indebtedness of JMB owing to the Lender pursuant to the JMB Loan Agreements and any promissory notes issued in connection therewith, on terms and conditions agreeable to the Borrower and Lender (the “**Initial Acquisition**”).
- E. Pursuant to a plan of arrangement under the CCAA and *Business Corporations Act*, SBC 2002, c 57 (the “**Plan**”), Mantle was deemed to assume a portion of the indebtedness of JMB owing to the Lender referred to in Recital D (together with the Initial Acquisition, the “**Transaction**”).
- F. The Lender consented to the Transaction and in connection therewith, has agreed to:
- (i) amend, restate, and consolidate the JMB Loan Agreements subject to the terms and conditions as set forth herein;
 - (ii) amend and restate the Existing Collateral Agency Agreement in its entirety to, *inter alia*, reaffirm (A) the appointment, duties and responsibilities of the Collateral Agent, and (B) the agreement between the Lender as to decisions relating to the exercise of remedies under the Security (as defined herein) granted to the Collateral Agent, and certain limitations on the exercise of such remedies; and
 - (iii) continue certain Credit Facilities in favour of the Borrower, and the Borrower has agreed to avail itself of such Credit Facilities.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants herein contained, the Borrower, the Guarantors, and the Lender agree as follows:

1. Definitions

In this Agreement unless there is something in the subject matter or context inconsistent therewith:

- (a) “**216 Dispositions**” means the Dispositions listed on Schedule F under the heading “216 Dispositions” together with any security deposited with the AEP in respect thereof to secure Reclamation Obligations;
- (b) “**Additional Guarantor**” means such Subsidiaries of the Borrower or the Parent Group, as applicable, from time to time that provide Security pursuant to Section 14(ii);
- (c) “**Advance**” means any actual or deemed advance, extension or utilization of credit pursuant to this Agreement;
- (d) “**AEP**” means Alberta Environment & Parks;
- (e) “**Affiliate**” means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person or group of Persons, and for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” or “under common control”) means the power to direct or

cause the direction of the management and policies of any Person, whether through the ownership of shares or by contract or otherwise;

- (f) **“Aggregate”** means gravel and other aggregates extracted from a Purchased Pit after the Closing Date;
- (g) **“Aggregate Equipment Sale Net Proceeds”** means the aggregate proceeds of sale of the Remaining Fiera Equipment net of reasonable costs incurred in disposing such Fiera Equipment that have been approved by the Lender;
- (h) **“Agreement”** means this loan agreement, as the same may be amended, restated, modified, supplemented or replaced from time to time in accordance with the provisions hereof;
- (i) **“Applicable Canada Bond”** means with respect to a prepayment of an Advance the non-callable Government of Canada bond denominated in Cdn. currency determined by the Lender as having a remaining term to maturity closest to the remaining term to maturity of the Advance in respect of which the prepayment is to be made;
- (j) **“Applicable Canada Bond Yield”** means with respect to the prepayment of an Advance, the arithmetic average (rounded to the nearest 1/100th of 1%) of the respective percentages reasonably determined by the Lender, calculated in accordance with the generally accepted financial practices, assuming monthly compounding, to be the yield to maturity, expressed as an annual rate of interest, on the Applicable Canada Bond on the 2nd Business Day preceding the date of such prepayment;
- (k) **“Applicable Law”** means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction, including all Environmental Laws;
- (l) **“Appraised Equipment Value”** means the appraised gross orderly liquidation value of the Fiera Equipment or the Remaining Fiera Equipment, as applicable, under the Machinery and Equipment valuation and review prepared by Gordon Brothers for JMB dated May 5, 2020 and effective April 23, 2020;
- (m) **“ATB”** means ATB Financial;
- (n) **“ATB Agreement”** means the agreement between ATB and the Borrower setting out the terms governing the ATB Assumed Debt;
- (o) **“ATB Aggregate”** means the Acquired Tranche B Aggregate, as such term is defined in the Purchase Agreement;
- (p) **“ATB Assumed Debt”** means that portion of the indebtedness owed by JMB and 216 to ATB which was assumed by the Borrower pursuant to the Plan;
- (q) **“Basis Points”** or **“bps”** means one one-hundredth of one percent;
- (r) **“Borrower”** means Mantle Materials Group, Ltd.;

- (s) **“Business Day”** means a day other than Saturday, Sunday or other day on which commercial banks in Calgary, Alberta or Toronto, Ontario are required by Applicable Law to close;
- (t) **“Capital Stock”** means, with respect to any Person from time to time, any and all shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the Person’s equity or capital from time to time, however designated and whether voting or non-voting;
- (u) **“Change in Control”** means any one of the following: (i) the Parent Group or any member or Affiliate thereof ceases to hold fifty (50%) percent of the outstanding Equity Interests of the Borrower; or (ii) in any Fiscal Year, the majority of the Board of Directors of the Borrower changes; provided that, notwithstanding the foregoing, a substitution, addition or change of directors of the Borrower shall not constitute a Change in Control where such newly appointed director or directors are employees, officers or directors of the Parent Group or an Affiliate thereof;
- (v) **“Chattels”** means all the machinery, equipment, furniture, vehicles, goods and tangible personal property of the Borrower as well as every interest of such Loan Party therein, whether as purchaser under a conditional sale agreement, as mortgagor under a chattel mortgage or as lessee under a rental or rental/purchase agreement including all equipment, accessories, tools and appliances thereto now or thereafter fixed or appertaining thereto or used in connection therewith and all other machinery, equipment, furniture, vehicles, goods and Chattels now or hereafter owned or acquired by such Loan Party whether in addition thereto, substitution therefore, replacement thereof, or otherwise;
- (w) **“Closing Date”** means the date on which all conditions precedent set out in Section 12 have been satisfied or waived, in accordance with this Agreement.
- (x) **“Collateral”** means all real and personal property (and the revenues, insurance proceeds, issues, profits, proceeds and products of the foregoing) which are subject, or are intended or required to become subject, to the Security or Encumbrance granted under any of the Loan Documents;
- (y) **“Commitment Fee”** means Ninety Five Thousand (\$95,000) Dollars;
- (z) **“Compliance Certificate”** means a certificate addressed to the Lender and executed by the Borrower in the form attached as Schedule B attached hereto;
- (aa) **“Credit Facilities”** has the meaning set out in Section 3 of this Agreement;
- (bb) **“Crown”** means Her Majesty the Queen in right of the Province of Alberta;
- (cc) **“Current Assets”** means, at any time, those assets ordinarily realizable within one (1) year from the date of determination or within the normal operating cycle, where such cycle is longer than one (1) year;
- (dd) **“Current Liabilities”** means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for Current Assets), but excluding, for certainty, the ATB Assumed Debt;

- (ee) **“Current Ratio”** means the Current Assets divided by the Current Liabilities, excluding the current portion of long term debt;
- (ff) **“Debt Service Coverage”** means EBITDA plus (to the extent not already included) any other non-cash expenses acceptable to the Lender less un-financed capital expenditure, advances to related parties deferred charges, Distributions and cash taxes, divided by the total of (A) scheduled principal repayments in respect of Facility A, (B) principal repayments in respect of Facility B, (C) scheduled principal payments on all other consolidated debt (other than, for greater certainty, payments of ATB Assumed Debt), and (D) all interest payments; provided that for the purposes of this definition (i) at all times, principal repayments in respect of Facility C Principal Amount and Facility D Principal Amount shall be excluded and (ii) for any time up to and including March 31, 2025, repayments of the Facility B Principal Amount shall be excluded. For certainty, beginning with the quarterly fiscal period beginning as of April 1, 2025, principal repayments of the Facility B Principal Amount shall be included in Debt Service Coverage;
- (gg) **“Disposition”** means a disposition of land of the Crown in right of Alberta under the *Public Lands Act*, RSA 2000, Ch. P-40;
- (hh) **“Distribution”** means any amount paid by any Loan Party to or on behalf of the employees, directors, officers, shareholders or partners of any Loan Party or to any Related Person thereto, by way of salary, bonus, commission, management fees, directors’ fees, dividends, redemption of Capital Stock or other Equity Interests, distribution of profits, or otherwise, and whether payments are made to such Persons in their capacity as shareholders, partners, directors, officers, employees, owners or creditors of any Loan Party or otherwise, or any other direct or indirect payment in respect of earnings or capital of any Loan Party; provided however that (A) the payment of salaries and management fees from time to time to partners, officers and employees of a Loan Party in the ordinary course of business at levels not in excess of (i) normal industry remuneration and (ii) those in existence as at the Closing Date shall not be considered Distributions, and (B) the issuance of Capital Stock or other Equity Interests of any Loan Party to any existing shareholder thereof, and the issuance of Capital Stock or other Equity Interests of any Loan Party to any employee under such Loan Party’s long term incentive plan;
- (ii) **“Eastside”** means Eastside Rock Products, Inc.;
- (jj) **“EBITDA”** means, with respect to the Borrower, earnings before interest, taxes, depreciation, depletion expenses, accretion, amortization and payments under Facility B, but does not include such non-cash items as stock based compensation, loss/gain on disposal of assets and/or any one time/non-recurring items. EBITDA shall include adjustments for trailing results of the Transaction and other acquisitions, as reasonably applicable and approved by the Lender, acting reasonably;
- (kk) **“Encumbrance”** means, with respect to any Person or any property, any mortgage, debenture, chattel mortgages, conditional sales contracts, pledge, hypothec, lien, charge, lease, sublease, easement, preference, priority, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such

Person's property or assets, or any consignment by way of security or Finance Lease Obligations of such Person as consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation, including title reservations, limitations, provisos or conditions, and "**Encumbrances**" and "**Encumbered**" have corresponding meanings;

- (ll) "**Environmental Complaint**" shall have the meaning set forth in Section 14(bb) hereof;
- (mm) "**Environmental Laws**" shall mean all federal, Canadian, state, provincial and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment, human health and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of Governmental Authorities with respect thereto which are applicable to the Lands, operations or assets of the applicable Loan Party;
- (nn) "**EPEA**" means the *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 and the regulations thereunder, including the Code of Practice for Pits issued thereunder;
- (oo) "**Equity Interests**" means, in respect of any Person, Capital Stock of such Person, warrants, options or other rights to acquire Capital Stock of the Person and securities convertible into or exchangeable for Capital Stock of such Person;
- (pp) "**Event of Default**" means the occurrence of any event listed in Section 19 hereof;
- (qq) "**Facility D Maturity Date**" means the date that is Eighteen (18) months from the date of the Closing Date;
- (rr) "**Fiera Equipment**" means the tangible personal property listed on Schedule I hereto;
- (ss) "**Finance Lease Obligation**" of any Person means the obligations of such Person under any Finance Lease to which it is a party;
- (tt) "**Finance Leases**" has the meaning ascribed to such term, and, for certainty, includes "lease liabilities" as it relates to a lessee, in the International Financial Reporting Standard 16, as same may be amended from time to time;
- (uu) "**Fiscal Year**" means, in respect of the Borrower, its fiscal year commencing on the 1st of January each year and ending on 31st of December of that same year, or such other fiscal year as may be agreed to by the Lender;
- (vv) "**Funded Debt**" means, with respect to any Person:
 - (i) money borrowed (including, without limitation, by way of overdraft) or indebtedness represented by notes payable and drafts accepted representing extensions of credit;
 - (ii) bankers' acceptances and similar instruments;
 - (iii) letters of credit, letters of guarantee and surety bonds issued at the request of such Person;

- (iv) all obligations (whether or not with respect to the borrowing of money) that are evidenced by bonds, debentures, notes or other similar instruments, excluding any such instruments that are at the sole option of the Borrower, convertible into capital of the Borrower but including without limitation, any indebtedness or liabilities of such Person that may be satisfied by the delivery of shares of such Person to the holder thereof or to another Person on behalf of the holder, or that are not so evidenced but that would be considered by GAAP to be indebtedness for borrowed money;
- (v) all obligations as lessee under sale and lease-back, transactions and Finance Leases;
- (vi) all Purchase Money Obligations of such Person; and
- (vii) any guarantee or indemnity (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) in any manner of any part or all of an Obligation included in items (a) through (f) above,

and, for certainty, shall include the Credit Facilities but shall not include the ATB Assumed Debt;

- (ww) **“Generally Accepted Accounting Principles”** or **“GAAP”** means those accounting principles recommended by Chartered Professional Accountants Canada (**“CPA Canada”**) as successor to the Canadian Institute of Chartered Accountants) and includes any recommendation in its Handbook concerning accounting treatment or statement presentation, such recommendation shall be regarded as the only generally accepted accounting principle applicable to the circumstances that it covers and reference herein to **“Generally Accepted Accounting Principles”** shall be interpreted accordingly, and means in reference to the Loan Parties, IFRS;
- (xx) **“Governmental Authority”** means (i) any government or political subdivision thereof national, provincial, county, municipal or regional having jurisdiction in the relevant circumstances; (ii) any agency or instrumentality of any such government, political subdivision or other government entity (including any central bank or comparable agency); (iii) any court, arbitral tribunal or arbitrator; and (iv) any non-government regulating body, to the extent that the rules, regulations or orders of such body have the force of law;
- (yy) **“Hazardous Discharge”** shall have the meaning set forth in Section 14(bb) hereof;
- (zz) **“Hazardous Substance”** shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials;
- (aaa) **“Hazardous Wastes”** shall mean all waste materials subject to regulation under any Environmental Laws now in force or hereafter enacted relating to hazardous waste disposal;

- (bbb) **“IFRS”** means International Financial Reporting Standards, including International Accounting Standards and Interpretations together with their accompanying documents, which are set by the International Accounting Standards Board, the independent standard-setting body of the International Accounting Standards Committee Foundation (the **“IASC Foundation”**), and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation, but only to the extent the same are adopted in Canada as GAAP and then subject to such modifications thereto as are agreed to as part of such adoption, if any;
- (ccc) **“Indebtedness”** means the principal sum or aggregate amount outstanding at any given time of all loans and advances made, or which may be made, by the Lender to the Borrower (including the Credit Facilities) and interest on such loans and advances and all costs, charges and expenses of, or incurred by the Lender, in connection with any Security and in connection with all Collateral (whether in protecting, preserving, realizing or collecting any such Security or Collateral or attempting so to do or otherwise), and all other obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the Borrower to the Lender arising from this or any agreement or dealings between the Lender and the Borrower or from any agreement or dealings with any Person by which the Lender may be or become in any manner whatsoever a creditor of the Borrower or otherwise howsoever arising and whether the Borrower be bound alone or with another or others and whether as principal or surety, including without limitation the fees, costs and expenses contemplated by Section 14(k), it being the express intention of the parties that the word **“Indebtedness”** include such amount as is necessary to indemnify and save harmless the Lender from all such costs, expenses and monies as aforesaid;
- (ddd) **“Interest Rate”** means the rate of interest equal to seven (7%) percent per annum;
- (eee) **“Interest Rate Differential”** means the greater of:
- (i) three (3) months interest calculated in accordance with this Agreement; and
 - (ii) the premium equal to the difference between:
 - (A) the present value of the Credit Facilities interest and the principal payments which are foregone, discounted at the Applicable Canada Bond Yield, (on a compounded monthly equivalent basis, as determined by the Lender), for the term from the date of prepayment to the date of original maturity plus 50 Basis Points; and
 - (B) the face value of the principal amount being prepaid at the date of prepayment;
- (fff) **“Initial Acquisition”** has the meaning set out in the Recitals to this Agreement;
- (ggg) **“Inventory”** has the meaning defined in the *Personal Property Security Act* (Alberta);

- (hhh) “**JMB Dispositions**” means the Dispositions listed on Schedule F under the heading “JMB Dispositions” together with any security deposited with the AEP in respect thereof to secure Reclamation Obligations;
- (iii) “**JMB Loan Agreements**” means the amended and restated loan agreement effective December 14, 2018 between JMB, as borrower, Eastside, as guarantor, and Fiera Private Debt Fund V LP (formerly known as Integrated Private Debt Fund V LP), by its general partner Fiera Private Debt Fund GP Inc. (formerly known as Integrated Private Debt Fund GP Inc.), as lender, together with the loan agreement effective October 17, 2019 between JMB, as borrower, Eastside and 216, as guarantors, and Fund VI, as lender;
- (jjj) “**Lands**” means those lands located in the Province of Alberta and referenced in Schedule G;
- (kkk) “**Loan Documents**” means, collectively, this Agreement, the Security and each agreement, instrument and each certificate, agreement or document executed in connection with or pursuant to any of the foregoing, in each case as the same may be amended, restated, modified, supplemented or replaced from time to time;
- (lll) “**Loan Parties**” means the Borrower, the Guarantors, and each Additional Guarantor, from time to time, and each is a “**Loan Party**”;
- (mmm) “**Material Adverse Change**” means any event, development or circumstance that has had or would reasonably be expected to have a Material Adverse Effect;
- (nnn) “**Material Adverse Effect**” means a material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of the Borrower, or (b) the amount which the Lender would be likely to receive (after giving effect to delays in payment and costs of enforcement) upon the liquidation of the Collateral;
- (ooo) “**Material Agreement**” means an agreement made between the Borrower, and/or a Guarantor, and another Person which if terminated by reason of breach, wrongdoing or neglect by or on behalf of the Borrower, or a Guarantor, as applicable, would reasonably be expected to have a Material Adverse Effect or result in an Event of Default, and includes, without limitation, those agreements specifically listed in Schedule F;
- (ppp) “**Maturity Date**” means the date that is Ninety-Six (96) months from the date of the Closing Date;
- (qqq) “**Maximum Allowable Interest**” has the meaning ascribed to such term in Section 7(b)(ii);
- (rrr) “**Parent Group**” means RLF Canada Holdings Limited;
- (sss) “**Payment Failure**” has the meaning ascribed to such term in Section 7(d);
- (ttt) “**Permitted Encumbrances**” means the Encumbrances and registrations registered against the Borrower and described in Schedule A attached hereto and forming part of this Agreement;

- (uuu) **“Permitted Future Finance Leases”** means those certain Finance Leases entered into by the Borrower after the advance of the Credit Facilities provided always that that the maximum aggregate limit for all such leases, taken together with Permitted Future PMOs, shall not exceed Four Million (\$4,000,000) Dollars for the Borrower at any time;
- (vvv) **“Permitted Future PMOs”** means the Encumbrances granted against specific purchased property or assets in connection with those certain Purchase Money Obligations entered into by the Borrower after the advance of the Credit Facilities; provided always that that the maximum aggregate limit for all such Purchase Money Obligations, taken together with Permitted Future Finance Leases, shall not exceed Four Million (\$4,000,000) Dollars for the Borrower at any time;
- (www) **“Permitted Future Subordinated Debt”** means Funded Debt, in an amount to be approved by the Lender, which is subordinated to the Credit Facilities and is either unsecured, or if secured, such Encumbrances are subordinated and postponed to the Security, on terms and conditions acceptable to the Lender, acting reasonably;
- (xxx) **“Permitted Future Subordinated Debt Security”** means those Encumbrances securing Permitted Future Subordinated Debt; provided that such Encumbrances are postponed to the Security, on terms and conditions acceptable to the Lender, acting reasonably;
- (yyy) **“Permitted Future Working Capital Security”** means the Encumbrances granted against the Collateral (or any portion thereof) or any other assets or property of the Loan Parties as security for certain credit facilities for the purposes of financing the Borrower and Loan Parties working capital and other operating needs entered into by the Borrower after the advance of the Credit Facilities; provided always that that the maximum aggregate limit for all such credit facilities shall not exceed Five Million (\$5,000,000) Dollars for the Borrower at any time and security for such financings shall be first priority over the Loan Parties’ respective accounts receivable and inventory only;
- (zzz) **“Permitted Restructuring”** is defined in Section 15(p), and for certainty, includes the Planned Reorganization;
- (aaaa) **“Person”** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership, Governmental Authority or other entity;
- (bbbb) **“PLA”** means the *Public Lands Act*, RSA 2000, c P-4 and all regulations thereunder.
- (cccc) **“Plan”** has the meaning set out in the Recitals to this Agreement;
- (dddd) **“Planned Reorganization”** has the meaning given to it in Section 15(p);
- (eeee) **“Pledged Securities”** means the Equity Interests of the Loan Parties and other Persons that are specifically pledged as part of the Security from time to time;
- (ffff) **“Property”** means, with respect to any Person, any or all of its undertaking, property and assets;

- (gggg) **“Purchase Agreement”** means the amended and restated purchase agreement dated as of March 3, 2021, entered into between, *inter alios*, JMB and 216, as vendors, and Mantle, as purchaser, as may be further amended;
- (hhhh) **“Purchase Money Obligations”** means any indebtedness incurred, assumed or owed by the Borrower as all or part of, or incurred or assumed by the Borrower to provide funds to pay all or part of the purchase price of any property or assets acquired by the Borrower;
- (iiii) **“Purchased Pits”** means the gravel and aggregate pits located on the Lands;
- (jjjj) **“Reclamation Obligations”** means the reclamation and remediation obligations in respect of the Aggregate Pits under the EPEA and the PLA;
- (kkkk) **“Related Person”** in relation to any Person means a subsidiary, affiliate, associate, employee or partner of such Person, or an associate of such employee (the terms “subsidiary”, “affiliate” and “associate” having the respective meanings ascribed thereto in the Canada *Business Corporations Act*;
- (llll) **“Relevant Jurisdiction”** means, from time to time, with respect to a Person that is granting Security hereunder, any province or territory of Canada or state of the United States of America in which such Person is incorporated or formed, has its chief executive office or chief place of business or has Collateral and, for greater certainty, includes the provinces set out in Schedule H;
- (mmmm) **“Remaining Fiera Equipment”** means the Fiera Equipment that is not sold to Persons other than the Borrower during the SISP or to be retained by a Loan Party;
- (nnnn) **“Retained Fiera Equipment Amount”** means the aggregate Appraised Equipment Value of all Fiera Equipment which any Loan Party elects, in its sole discretion, to retain;
- (oooo) **“Sale”** means each sale by the Borrower of the Fiera Equipment in a commercially reasonable manner that is acceptable to the Lender, acting reasonably;
- (pppp) **“Security”** means any security or security documentation (including any evidences of debt) as more fully described in Section 11 hereof, granted by a Loan Party to the Lender (including, for certainty, the Security to be delivered by a Subsidiary pursuant to Section 14(ii)) to secure the Indebtedness, and includes any amendments thereto or renewals or substitutions thereof;
- (qqqq) **“SISP”** means the Court approved sale and investment solicitation process to market and sell the property and assets of JMB;
- (rrrr) **“SISP Equipment Disposition Amount”** means the aggregate net proceeds of sale of any Fiera Equipment under the SISP or during the CCAA Proceedings to one or more Persons other than the Borrower;
- (ssss) **“Subsidiary”** of any Person means any other Person of which Capital Stock or other Equity Interests having ordinary voting power to elect a majority of the board of directors or other individuals performing comparable functions, or which are entitled to or represent more than 50% of the owners’ Capital Stock or other

Equity Interests or entitlement to profits, are owned beneficially or controlled, directly or indirectly, by any one or more of that first Person and the Subsidiaries of that first Person, and includes any other Person in like relationship to a Subsidiary of that first Person;

- (tttt) **“Term Sheet”** means that certain letter dated July 20, 2020, delivered on behalf of the Lender to the Borrower prior to the date hereof, and any amendments thereto or substitutions therefore, a copy of which is attached hereto and marked as Schedule D;
- (uuuu) **“Third Party”** means a Person other than the Borrower, the Guarantors, the Lender or any Affiliate thereof;
- (vvvv) **“Total Senior Funded Debt”** means all Funded Debt other than Permitted Future Subordinated Debt, including, without limitation, any operating debt, short term debt, senior long term debt, and all financial contingent obligations (including without limitation, financial guarantees, capitalized interest, and obligations pursuant to any Finance Leases); provided that for the purposes of this definition (i) at all times, it shall exclude Indebtedness under Facility C and Facility D, and (ii) for any time up to and including December 31, 2023, it shall exclude the principal amount then outstanding under Facility B, but for all periods and thereafter, it shall include the net present value (as determined in accordance with GAAP using a discount rate equivalent to the Interest Rate) of the principal amount then outstanding under Facility B;
- (wwww) **“Toxic Substance”** shall mean and include any material present on the Real Property or the Leasehold Interests which has been shown to have significant adverse effect on human health or which is subject to regulation under applicable Environmental Laws; and
- (xxxx) **“Transaction”** has the meaning set out in the Recitals to this Agreement.

2. Preamble, Schedules, and Amendment and Restatement

The parties hereby confirm and ratify the matters contained and referred to in the Preamble to this Agreement and agree that the Schedules attached hereto are expressly incorporated into and form part of this Agreement.

Except as otherwise stated herein, as of the date hereof, the terms, conditions, covenants, agreements, representations and warranties set forth in the JMB Loan Agreements are hereby replaced and superseded in their entirety by the terms, conditions, covenants, agreements, representations and warranties set forth in this Agreement. The amendment and restatement contained herein, other than to the extent expressed hereunder, shall not, in any manner, be construed to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation in respect of, the indebtedness and other obligations and liabilities of the Loan Parties, as applicable, secured under or in connection with the JMB Loan Agreements or any of the Encumbrances and security interests securing such indebtedness and other obligations and liabilities, which shall not in any manner be impaired, limited, terminated, waived or released. The JMB Loan Agreements continue, up to the date hereof, to constitute a legal, valid and binding obligation of the Loan Parties, to which they are a party, enforceable against it in accordance with its terms.

3. Establishment of Credit Facilities and Advance

Subject to the terms and conditions of this Agreement, the following credit facilities are deemed to be fully advanced (collectively, the “**Credit Facilities**”) pursuant to advances from time to time to JMB under the JMB Loan Agreements:

- (a) a non-revolving facility (“**Facility A**”) with a fixed rate term option, in the principal amount equal to Three Million Five Hundred and Fifty Thousand (\$3,550,000) Dollars, which amount is inclusive of \$50,000 of the Commitment Fee Dollars, plus, to the extent applicable, the Retained Fiera Equipment Amount (collectively, the “**Facility A Principal**”);
- (b) a non-revolving facility (“**Facility B**”), non-interest bearing, available in the principal amount equal to Six Million One Hundred and Twenty Five Thousand (\$6,125,000) Dollars (the “**Facility B Principal**”);
- (c) a non-revolving facility (“**Facility C**”), non-interest bearing, available in a principal amount (the “**Facility C Principal**”) equal to the lesser of (i) the aggregate Appraised Equipment Value of the Fiera Equipment, less (A) the SISP Equipment Disposition Amount, and (B) the Retained Fiera Equipment Amount, and (ii) the Aggregate Equipment Sale Net Proceeds, which as of the date hereof is estimated to be Three Million Six Hundred Ninety Five Thousand Six Hundred Thirty (\$3,695,630) Dollars; and
- (d) a non-revolving facility (“**Facility D**”) with a fixed rate term option, in the principal amount equal to One Hundred and Fifty Thousand (\$150,000) Dollars (the “**Facility D Principal**”).

Each Credit Facility shall be evidenced by a promissory note made and delivered by the Borrower in favour of the Lender (each, a “**Promissory Note**”), and if not already delivered on or prior to the Closing Date, each such original Promissory Note may be provided on a post-closing basis within 30 days of the Closing Date. The Promissory Notes shall be dated as of the date hereof, shall be in the principal amount of each Credit Facility and shall bear interest, if applicable, at the Interest Rate as hereinafter provided. The Credit Facilities shall be deemed to have been already advanced by the Lender to the Borrower as follows:

- (i) \$11,818,944.71 (87.41%) by Fund V; and
- (ii) \$1,701,685.29 (12.59%) by Fund VI.

Any payment of Indebtedness pursuant to the provisions hereof shall be deemed to be made *pro rata* in proportion to the Advances outlined above.

4. Purpose

The Borrower acknowledges its assumption pursuant to the Plan of that portion of the indebtedness owing to the Lender under the JMB Loan Agreements equal to the aggregate of the Facility A Principal, the Facility B Principal, the Facility C Principal, and the Facility D Principal, that such amounts were fully advanced to JMB and were not repaid, such assumption does not constitute a repayment of such assumed indebtedness, and such assumption and the granting by the Lender to the Borrower of the Credit Facilities have facilitated the completion of the Transaction.

5. Evidence of Indebtedness

The Borrower acknowledges that the actual recording of the amount of any Advance or repayment thereof, and interest, fees and other amounts due in connection with the Credit Facilities, in the accounts maintained by the Lender, shall constitute *prima facie* evidence, absent manifest error, of the Borrower's indebtedness and liability from time to time under the Loan Documents; provided that the obligation of the Borrower to pay or repay any amounts in accordance with the terms and conditions of Loan Documents shall not be affected by the failure of the Lender to make such recording. The Borrower hereby acknowledges being indebted to the Lender for the principal amount outstanding from time to time under the Credit Facilities, and all accrued and unpaid issuance fees, interest, or other fees.

6. Repayment

The Borrower agrees to repay Facility A with interest as aforesaid calculated daily not in advance, as follows:

- (a) provided there has occurred no Event of Default that is continuing, interest only payments at the Interest Rate for Twenty-Four (24) months on a quarterly basis following the Closing Date (the "**Interest-Only Period**");
- (b) blended monthly payments of principal and interest at the Interest Rate for Seventy-Two (72) months following the Interest-Only Period, all as more particularly specified in the amortization and payment schedule set out in the attached Schedule E; and
- (c) all other amounts outstanding with respect to Facility A pursuant to this Agreement or the Security, plus any interest and fees in connection therewith, shall be due and payable on the Maturity Date.

The Borrower agrees to repay Facility B in monthly payments commencing Twelve (12) months following the Closing Date based on \$1 per tonne of Aggregate sold by the Borrower to Third Parties, which such sum shall increase on each subsequent anniversary of the Closing Date by a rate of 2% per annum compounding annually; such monthly payments shall be payable Fifteen (15) days following the end of each month after commencement on the basis of the proceeds of such sales actually received in the last month by the Borrower, and shall continue until the Maturity Date, at which such time the Facility B Principal shall be due and payable in full.

The Borrower agrees to repay Facility C from time to time from the proceeds of any Sale of the Remaining Fiera Equipment, net of such reasonable costs associated with or incurred in such Sale as approved by the Lender and any Post-First Anniversary Maintenance Costs described in Section 14(g)(ii), and to remit, or authorize the Lender to debit from its account, as applicable, such net proceeds to the Lender, within Fifteen (15) days following the end of each month after commencement on the basis of the proceeds of such sales actually received in the last month by the Borrower; provided that in the event (i) the amount of such net sale proceeds in the aggregate does not then exceed \$1,000, no such payment shall then be required and instead shall be deferred until the next date of payment and (ii) in the event that such net sale proceeds at any time prior to such payment date exceeds \$500,000 or includes net proceeds of the sale of the last piece of the Fiera Equipment, the Borrower shall make an interim payment of such net sale proceeds within Five (5) days. Upon the Sale of the last piece of Fiera Equipment and repayment of the net proceeds thereof in accordance with this provision, the Facility C Principal shall be deemed to be repaid in full. For certainty, if the aggregate of all proceeds

realized on the Sales exceeds the Facility C Principal, the Lender shall be entitled to retain the full benefit of such proceeds.

The Borrower agrees to repay Facility D with interest as aforesaid calculated daily not in advance, as follows:

- (a) quarterly payments of interest at the Interest Rate for Eighteen (18) months following the Closing Date, all as more particularly specified in the amortization and payment schedule set out in the attached Schedule E; and
- (b) the Facility D Principal Amount, and all other amounts outstanding with respect to Facility D pursuant to this Agreement or the Security, plus any interest and fees in connection therewith, shall be due and payable on the Facility D Maturity Date.

Without in any way limiting the foregoing, and notwithstanding anything contained herein, the parties hereto expressly acknowledge, covenant and agree that any net proceeds from the sale of any JMB Dispositions and/or 216 Dispositions shall be immediately payable and transferred to the Lender upon receipt, to be applied against the then outstanding Indebtedness to the Lender, in accordance with Section 8 herein.

Each of the Loan Parties further acknowledge, covenant and agree that any and all net proceeds from the sale of Surface Material Lease No. 060060 in favour of 216 located within SW-13-65-18-W4M, shall be immediately payable and transferred to the Lender upon receipt, to be applied as follows:

- (a) *firstly*, up to One Hundred Thousand (\$100,000) Dollars (the “**Economic Cost**”) to be applied by the Lender towards any costs, fees, and disbursements incurred in relation to this Agreement and the CCAA Proceedings; and
- (b) *secondly*, the remainder of the sale proceeds in excess of the Economic Cost to be applied towards the outstanding Indebtedness under the Credit Facilities, to be allocated to the Credit Facilities as mutually agreed to between the Borrower and the Lender.

7. Interest

- (a) The Borrower agrees to pay interest on the unpaid Facility A Principal Amount and Facility D Principal Amount outstanding from time to time from the Closing Date until repayment in full of such Facility A Principal Amount or Facility D Principal Amount, respectively, at a rate per annum (calculated on the basis of a 365/366 day year), equal to the Interest Rate. Interest at such rate shall be payable monthly, or quarterly, as applicable, and as more particularly specified in the amortization and payment schedule set out in the attached Schedule E both before and after demand, default, maturity and the obtaining of any judgment by the Lender against the Borrower and all interest on becoming overdue shall be treated, as to payment of further interest, as principal and shall bear compound interest at the rate payable with respect to Facility A and Facility D both before and after the obtaining of any judgment by the Lender against the Borrower to the extent permitted by Applicable Law.
- (b) Notwithstanding anything to the contrary hereinbefore or hereinafter contained in the Loan Documents or any of them, the parties hereto expressly acknowledge, covenant and agree that:

- (i) the Loan Documents shall not constitute an agreement or arrangement whereby or pursuant to which the Lender would or will receive Interest on an Advance at a Criminal Rate of Interest;
 - (ii) this Agreement shall at all times be construed, interpreted and, to the extent required, deemed to have been amended to reflect and provide that the maximum Interest that the Lender is and shall be entitled to charge and receive in respect of the Advance shall be 1/10th of 1% less than the Criminal Rate (the “**Maximum Allowable Interest**”);
 - (iii) no payment or partial payment of interest on the Credit Facilities shall be in excess of the Maximum Allowable Interest;
 - (iv) any payment of Interest made by the Borrower on account of the Credit Facilities that would be in excess of the Maximum Allowable Interest or would otherwise be deemed to be at a Criminal Rate shall, in respect of the amount that is in excess of the Maximum Allowable Interest or is at a Criminal Rate, be deemed to be held in a suspense account, with the applicable Maturity Date being extended as necessary to make such payment less than the Maximum Allowable Interest; and
 - (v) for the purposes hereof, “Criminal Rate” and “Interest” shall have the meaning specified in the *Criminal Code of Canada*.
- (c) For purposes of the *Interest Act* (Canada) (A) whenever a rate of interest hereunder is calculated on the basis of a year (the “deemed year”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year; (B) the principal of deemed reinvestment shall not apply to any interest calculation hereunder; and (C) the rates of interest quoted by Lender to the Borrower pursuant hereto are intended to be nominal rates and not effective rates or yields.
- (d) Notwithstanding any other provision to the contrary herein, if the Borrower fails to pay any amount of principal, interest or other amount payable hereunder on the due date for any such amount (a “**Payment Failure**”), then during the occurrence and continuance of such Payment Failure, interest on such overdue amount shall accrue at a rate equal to the Interest Rate plus 2% per annum to the maximum extent permitted by Applicable Law (i) calculated and accruing daily from and including such due date up to but excluding the date of actual payment, both before and after demand, default or judgment, (ii) compounded monthly on the first Business Day of each calendar month with the amount of such accrued interest being added to the outstanding principal amount on such Business Day; and (iii) shall be payable by the Borrower on the earlier of: (a) the date on which the Borrower has remedied such Payment Failure, (b) the date on which the Indebtedness has been paid in full, and (c) the Maturity Date or Facility D Maturity Date, if and as applicable.

8. Prepayment

Provided no Event of Default has occurred and is continuing, the Borrower shall have the ability:

- (a) to prepay all (and only all) of the Indebtedness outstanding at any time in relation to Facility A by provision of thirty (30) days' notice and payment of the Interest Rate Differential;
- (b) to prepay some or all of the Indebtedness outstanding at any time in relation to Facility B, Facility C, and Facility D in accordance with the payment process set forth in Section 9 below for such Credit Facilities, without any further notice, bonus or penalty,

provided however, that any partial prepayment shall in no way release the Borrower from its obligation to make any payments required pursuant to the provisions of the Security or this Agreement.

9. Payment Process

All sums to be paid to the Lender in respect of Facility A and Facility D pursuant to this Agreement, whether for principal, interest or otherwise, shall be paid to the Lender by way of pre-authorized withdrawal. The Borrower has provided the Lender with an executed pre-authorized debit form to allow the Lender to charge all the payments due and payable under this Agreement.

All sums to be paid to the Lender in respect of Facility B and Facility C pursuant to this Agreement, whether for principal, interest or otherwise, shall be paid to the Lender by way of an authorization and direction from the Borrower specifying the date and the amount of the applicable payment and permitting the Lender to withdraw the amount of any such payment to the Lender. The Borrower will from time to time provide such further authorization or other authorization or direction as required to allow the Lender to charge or be paid, as applicable, all the payments due and payable under this Agreement within the time specified for such payment in Section 6.

10. Fees

The Borrower shall pay to the Lender, on or prior to the date of the Closing Date, \$45,000 of the Commitment Fee in respect of the Credit Facilities (less any non-refundable upfront portion of the Commitment Fee which has been previously paid by the Borrower prior to the Closing Date as acknowledged and received by the Lender). The remaining \$50,000 of the Commitment Fee shall be added to and form part of the Facility A Principal and shall be payable during the course of this Agreement as such.

11. Security

To secure the due and punctual payment of the Indebtedness, and to secure the due and punctual performance of each of the Loan Parties' and the Parent Group's obligations and covenants hereunder, each of the Loan Parties and the Parent Group have, as applicable, executed, or shall execute and deliver, or cause to be executed and delivered to or assigned in favour of the Collateral Agent, or the Lender, as required herein, the Security.

The Security includes the following documents and instruments in favour of the Collateral Agent or Lender, as applicable, all in form and substance satisfactory to the Lender and subject only to Permitted Encumbrances:

- (a) an amended and restated collateral agency agreement among the Lender, the Borrower, and the Guarantors, amending and restating the Existing Collateral Agency Agreement in its entirety;
- (b) a general security agreement from Mantle in favour of the Lender granting a first ranking security interest in all of its present and after-acquired property, assets and undertaking;
- (c) an unlimited guarantee from JMB in respect of the Borrower's Indebtedness owing to the Lender;
- (d) a general security agreement from JMB in favour of the Lender granting a first ranking security interest in all of its present and after-acquired property, assets and undertaking;
- (e) an unlimited guarantee from 216 in respect of the Borrower's Indebtedness owing to the Lender;
- (f) a general security agreement from 216 in favour of the Lender granting a first ranking security interest in all of its present and after-acquired property, assets and undertaking;
- (g) an assignment of Material Agreements granted by the Borrower and Guarantors in favour of the Lender, in respect of, without limitation, each aggregate royalty agreement to which a Loan Party is a party, together with the interest in the Lands subject thereto created thereby, including the aggregate royalty agreements identified in Schedule G hereto;
- (h) acknowledgments or notices, as required by the Lender, of the assignment of Material Agreements set forth in Subsection 11(e), from each of the landlords under the aggregate royalty agreements identified in Schedule G hereto;
- (i) a mortgage of lease granted by JMB in favour of the Collateral Agent in respect of certain surface material leases granted by the Crown to JMB, including those surface material leases identified in Schedule G hereto held by JMB (the "**JMB SMLs**");
- (j) conditional surrender of leases granted by JMB in favour of the Collateral Agent in respect of the JMB SMLs;
- (k) a mortgage of lease granted by 216 in favour of the Collateral Agent in respect of certain surface material leases granted by the Crown to 216, including those surface material leases identified in Schedule G hereto held by 216 (the "**216 SMLs**");
- (l) conditional surrender of leases granted by 216 in favour of the Collateral Agent in respect of the 216 SMLs;

- (m) a memorandum of agreement among Her Majesty the Queen in right of the Province of Alberta, as represented by Alberta Environment and Parks, and the Collateral Agent;
- (n) landlord waivers and other inter-creditor agreements as may be required by the Lender, including, without limitation, in respect of the Bonnyville Lease; provided that the Loan Parties shall only be required to use commercially reasonable efforts to obtain such agreement;
- (o) a postponement and assignment of creditor's claims and postponement of security executed by each shareholder of the Borrower and/or member of the Parent Group;
- (p) a limited recourse guarantee and pledge of all Equity Interests of the Loan Parties that are owned by the Parent Group, pledged by the Parent Group in favour of the Lender, with all stock transfer power of attorneys in respect thereof endorsed in blank;
- (q) a pledge of all Equity Interests of the Loan Parties that are owned by JMB, pledged by JMB in favour of the Lender, with all stock transfer power of attorneys in respect thereof endorsed in blank;
- (r) an assignment of insurance granted by the Borrower and Guarantors in favour of the Lender;
- (s) a certificate of insurance/binder letter showing the Lender as first loss payee pursuant to the Standard Mortgage Clause provisions;
- (t) a blocked accounts agreement with The Toronto-Dominion Bank in respect of the Borrower's deposit accounts, in form satisfactory to the Lender, acting reasonably;
- (u) a priority agreement among the Borrower, the Guarantors, the Lender and ATB Financial; and
- (v) such other security against the property and assets of the Loan Parties as may be reasonably required by the Lender,

provided that each of the Security in subsections (h), (n), (t) and (u), may be provided on a post-closing basis, in the case of subsections (h), (n) and (t) within 90 days of the Closing Date and in the case of subsection (u), within 30 days of the Closing Date, in any case, using commercially reasonable efforts. With the respect to the share certificate(s) of JMB required to be delivered to the Lender in connection with subsection (p), such share certificates shall be provided to the Lender or its counsel on a post-closing basis, within 10 days of the Closing Date; provided that to the extent the Planned Reorganization becomes effective prior to the delivery of such JMB share certificate(s) required to be delivered pursuant to subsection (p), delivery of replacement share certificate(s) to the Lender will instead be required within 10 days of the Planned Reorganization, in accordance with Section 15(p) herein.

The Loan Parties and the Parent Group will from time to time at their expense duly authorize, execute and deliver to the Lender such further instruments and documents and take such further action as the Lender or Collateral Agent, as applicable, may reasonably request for the purpose of obtaining or preserving the full benefits granted or intended to be granted to the Lender or Collateral Agent, as applicable, pursuant to the Security and of the rights and

remedies therein granted to the Lender or Collateral Agent, as applicable, including without limitation, the filing of financing statements or other documents under any Applicable Law with respect to the liens created thereby. Unless prohibited by Applicable Law, each of the Loan Parties and Parent Group authorize the Lender or Collateral Agent to file any such financing statement or similar documents without the signature of such Loan Party or Parent Group.

The Loan Parties and Parent Group acknowledge that changes to Applicable Law may require the execution and delivery of different forms of documentation and accordingly the Lender or Collateral Agent, as applicable, shall have the right to require that the Security be amended, supplemented or replaced (and the applicable Loan Party or Parent Group shall duly authorize, execute and deliver to the Lender or Collateral Agent, as applicable, on request any such amendment, supplement or replacement with respect to the Security to which such Loan Party or Parent Group is a party): (i) to reflect any change in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise; or (ii) to facilitate the creation and registration of appropriate forms of security in all applicable jurisdictions.

To the extent any of the Loan Parties have previously executed certain Loan Documents in favour of the Lender or Collateral Agent pursuant to the JMB Loan Agreements, each of them (i) reaffirms and agrees that the security interests granted under each such Loan Document to which it is a party are continuing, with the ranking that it is expressed to have (as applicable), continue as collateral security for the prompt and complete payment when due (whether at stated maturity, by acceleration or otherwise) of all Obligations under the Credit Facilities and are and shall remain in full force and effect, except as amended hereby, and (ii) acknowledges and reaffirms all Obligations owing by each of them to the Lender under the Loan Documents as amended hereby.

12. Conditions Precedent and Effectiveness

The effectiveness of this Agreement is subject to and conditional upon the prior satisfaction of the following conditions precedent:

- (a) at or prior to the Closing Date, no Event of Default shall have occurred and be continuing;
- (b) the Borrower shall have obtained from the Court:
 - (i) a sale approval and vesting order from the Court in respect of the Transaction vesting in the Borrower the property and assets purchased pursuant to the Purchase Agreement free and clear of all Encumbrances other than Permitted Encumbrances;
 - (ii) an order vesting all Remaining JMB Assets and Remaining JMB Liabilities (as such terms are defined in the Purchase Agreement) in 216, but subject to any Encumbrances attaching thereto; and
 - (iii) an order sanctioning the Plan;
- (c) the Lender shall have received this Agreement, the other Loan Documents (including, without limitation the Security in Section 11 and any necessary consents or subordinations of third parties as may be required by the Lender) and all other documentation related hereto and thereto duly executed and delivered by the Loan Parties and in form and substance satisfactory to the Lender and its legal counsel;

- (d) the Lender shall have received the Purchase Agreement, the Plan and all other documentation related thereto and to the Transaction duly executed and delivered by the Loan Parties, in form and substance satisfactory to the Lender and its legal counsel;
- (e) the Lender shall have first ranking security over all Property of the Loan Parties pursuant to the Security, subject only to Permitted Encumbrances, and the Loan Documents (other than those expressly permitted to be delivered or registered on a post-closing basis) shall have been registered, recorded or filed in all jurisdictions deemed necessary by the Lender and its legal counsel;
- (f) the Lender shall have received certificates representing all Pledged Securities and endorsements executed in blank relating to those certificates;
- (g) the Lender shall have received an undertaking from the Parent Group committing to make a minimum \$3,500,000 cash equity contribution to the Borrower by the first anniversary of the Closing Date, or by such other date or amount as may be agreed to in writing by the Borrower, the Parent Group and the Lender;
- (h) the Lender shall have received payment in full from the Borrower of all reasonable legal fees and out of pocket expenses of legal counsel to the Lender, up to the amount of One Hundred Thousand (\$100,000) Dollars, which have become due in respect of the preparation of the loan documentation in connection with the Credit Facilities (for greater certainty such legal fees shall not include any legal fees of the Lender in connection with the CCAA Proceedings), and the Lender shall have received payment in full from the Borrower the balance of the Commitment Fee;
- (i) at the Lender's discretion, but subject to Permitted Encumbrances, the Lender shall have received from all of the secured creditors who have registered against a Loan Party pursuant to the PPSA appropriate discharges or acknowledgments in favour of the Lender, in a form acceptable to the Lender, specifying the collateral which is the subject matter of such registration in its favour;
- (j) the Lender shall have completed to its satisfaction (at its sole and absolute discretion) its due diligence of the Loan Parties and be reasonably satisfied with, without limitation: (i) the organizational, legal, management and capital structure of the Loan Parties, (ii) the nature and status of all insurance, material contractual obligations, securities, labour, tax, employee benefit (including pension plan), regulatory and environmental and health and safety matters, (iii) the structure, steps in connection with and tax effect of any transactions contemplated by this Agreement, (v) anti-money laundering due diligence in respect of the Loan Parties, and (vi) any other matters involving or affecting any Loan Party as is required to be disclosed in this Agreement as at the Closing Date, and in connection therewith, the Lender shall have received true and complete copies of all relevant documents relating thereto;
- (k) the Lender shall have received copies of all Leases between the Loan Parties and their landlords in respect of the premises operated by it and the Lender shall be satisfied with them in its sole discretion;
- (l) the Loan Parties shall have delivered or cause to be delivered to the Lender, as requested by the Lender, all documentation and other information required under

Anti-Terrorism Laws by any Governmental Authority including, without limitation, “know your customer” rules and regulations;

- (m) the Loan Parties, as applicable, shall have delivered to the Lender and their solicitors in form and substance satisfactory to the Lender, acting reasonably:
 - (i) a certificate of each Loan Party, certifying as to its constating documents and bylaws (copies of which shall be attached to such certificate), a list of its officers and directors with specimens of the signatures of those who are executing Loan Documents on its behalf, and the corporate or equivalent proceedings taken to authorize it to execute, deliver and perform its obligations under the Loan Documents and such other corporate information as the Lender may reasonably require;
 - (ii) a certificate of status, compliance, good standing or similar certificate for the jurisdiction of incorporation of each Loan Party and for each jurisdiction where any such Loan Party carries on business or where registrations or filings in relation to the Security made by that Loan Party have been effected;
 - (iii) currently dated opinions, addressed to the Lender in form and substance satisfactory to the Lender and Lender’s counsel, acting reasonably and in accordance with customary opinion practise, from counsel for the Loan Parties, and such other local counsel to the Loan Parties as the Lender may reasonably require and opining to such matters as the Lender or its solicitors may require; and
 - (iv) such additional supporting documents as the Lender or its counsel may reasonably request;
- (n) the Lender shall have received certificates of insurance or other evidence that the covenants and conditions of the Loan Documents concerning insurance coverage are being complied with;
- (o) the Loan Parties (as at such time) shall have delivered to the Lender a certificate signed by an authorized officer of each Loan Party to the effect that as at the date of the Closing Date:
 - (i) all of the representations and warranties of the Loan Parties herein shall be true and correct on and as of the Closing Date as though made on and as of such date; and
 - (ii) no other event shall have occurred that, in the Lender’s sole discretion, materially adversely affects or could have a Material Adverse Effect.
 - (iii) all conditions precedent contained in this Agreement and the other Loan Documents to be observed or performed by the Loan Parties have been observed or performed; and
 - (iv) at or prior to the Closing Date, no Event of Default shall have occurred and be continuing;
- (p) all necessary governmental and third party consents and approvals necessary in connection with this Agreement and the transactions contemplated hereby,

including the Transaction, shall have been obtained (in form and substance reasonably acceptable to the Lender) and shall remain in effect. All applicable government filings shall have been made and all applicable waiting periods shall have expired without in either case any action being taken by any competent authority; and no law or regulation shall be applicable in the judgement of the Lender that restrains, prevents or imposes materially adverse conditions upon this Agreement or the transactions contemplated hereby;

- (q) the Lender must have received consents that are required from the directors, shareholders, partners or members of the Loan Parties, either in connection with the pledges of Pledged Securities or in connection with any disposition of the Pledged Securities upon enforcement of the Security; and
- (r) the Lender having received all fees required pursuant to the Term Sheet.

13. [Intentionally Deleted]

14. Affirmative Covenants

Each Loan Party covenants and agrees that they each shall:

- (a) with respect to the Borrower, it will duly and punctually repay to the Lender amounts owing pursuant to the Credit Facilities and interest thereon, as applicable, as provided in this Agreement and all other sums payable pursuant to the terms of this Agreement, on the dates, at the places, in the monies and in the manner provided for in the Loan Documents;
- (b) perform, observe and comply at all times with the covenants, terms, conditions, stipulations and provisos of the Loan Documents and other reasonable requirements stipulated by the Lender from time to time;
- (c) upon request of the Lender, execute and deliver or cause to be executed and delivered to the Lender such further and other documents, agreements, opinions, conveyances, mortgages, assignments, pledges and assurances from time to time as the Lender or its solicitors may reasonably require for the purpose of protecting or perfecting the Security, including any after acquired property whether or not now charged under the Security, all to be in such form and to contain such terms and conditions as may be required by the Lender's solicitors;
- (d) fully and effectually maintain and keep maintained the Security hereby created as valid and effective security at all times;
- (e) execute as required, and deliver to the Lender such other instruments of security, assurances and documentation as the Lender may require in accordance with the terms and conditions of Loan Documents, including, but not limited to, agreements for the benefit of the Lender from landlords of leased Premises designated by the Lender in which any Loan Party carries on business and from counterparties to material contracts and material permits designated by the Lender, all of which instruments of security, evidences of indebtedness and documents shall be in such form and shall contain such terms and conditions as may be required by the Lender's solicitors;
- (f) repair and keep in repair and good order and condition all buildings, erections, machinery and other plant and equipment and appurtenances thereto, the use of

which is necessary or advantageous in connection with its business, up to a modern standard of usage and maintain the same consistent with the best practice of other corporations having similar undertakings; renew and replace all and any of the same which may be worn, dilapidated, unserviceable, obsolete, inconvenient or destroyed or may otherwise require renewal or replacement and at all reasonable times allow the Lender or its representative access to its premises in order to view the state and condition the same are in and in the event of any loss or damage thereto or destruction thereof, the Lender may give notice to the Borrower to repair, rebuild, replace or reinstate within a time to be determined by the Lender and to be stated in such notice and upon such Loan Party failing to so repair, rebuild, replace or reinstate within such time, such failure shall constitute default hereunder, and will keep all of its assets in good condition and repair and maintain and replace as required according to the nature thereof;

- (g) store and maintain in current condition the Remaining Fiera Equipment at the Borrower's premises located in the Town of Bonnyville, in the Province of Alberta, other than Remaining Fiera Equipment currently located in Washington State which shall be stored at an acceptable location in Washington State determined by the Borrower and the Lender (acting reasonably), and maintain casualty and property insurance in respect of the Remaining Fiera Equipment in amounts not less than the Appraised Equipment Value, provided that:
 - (i) commencing on the first anniversary of the Closing Date, any reasonable costs incurred by the Borrower thereafter to maintain, insure and/or provide security for the Remaining Fiera Equipment (such costs, after the first anniversary of the Closing Date, being "**Post-First Anniversary Maintenance Costs**") shall be the responsibility of the Lender and shall be reimbursable from amounts payable to the Lender under Facility C in the manner described in Section 6; and
 - (ii) in the event that it is not possible for the Borrower to obtain casualty and property insurance in respect of the Remaining Fiera Equipment, the Remaining Fiera Equipment shall be at the risk of the Lender provided that the Borrower makes commercially reasonable arrangements for security of such Remaining Fiera Equipment;
- (h) the Borrower shall employ reasonable commercial efforts to sell the Remaining Fiera Equipment in a commercially reasonable manner that is acceptable to the Lender, acting reasonably;
- (i) keep in good repair and free from all Encumbrances, other than the Security and Permitted Encumbrances, of any nature whatsoever any and all Chattels which are now or which may in the future be used either directly or indirectly in the operations and business of the Loan Parties;
- (j) duly and punctually pay all debts and obligations to or on behalf of or in respect of workmen, employees and others which, if unpaid, might under the laws of Canada or of the Provinces of Alberta or British Columbia (or the equivalent legislation applicable in the State of Washington) priority over the Security hereby created or any part thereof;
- (k) promptly pay the full amount of:

- (i) any reasonable charges by or expenses of the Lender in inspecting, protecting or valuing each Loan Party's assets;
- (ii) all costs, fees, disbursements, charges and expenses, including all reasonable legal fees and disbursements incurred by the lender as between a solicitor and its own client in connection with the Credit Facilities, the preparation, execution and registration as appropriate, of any Loan Document; in investigating or perfecting title to each Loan Party's assets and the capacity of each Loan Party to borrow the money secured hereby; in preparing and registering the Security, and all documents incidental or collateral hereto; in advancing any portion of the monies secured under the Security, in taking, recovering and keeping or attempting to procure possession of each Loan Party's assets or any part thereof; in enforcing or attempting to enforce the personal remedies or any other remedies available under the Security; in collecting or attempting to collect any of the monies secured under the Security; in realizing or attempting to realize on any Security collateral hereto; in any foreclosure or other proceedings, judicial or otherwise, to protect each Loan Party's assets or to realize on the Security or any part thereof; or in connection with any receivership and if a solicitor is retained in connection with any of the foregoing, such solicitor's fees and disbursements shall be paid on a solicitor and his own client basis and, at the option of the Lender, on the basis of a lump sum bill; and if any other professional person or firm is retained or employed such person's or firm's fees shall be paid on the basis of his or its normal professional charges; and
- (iii) all other reasonable costs and expenses of the Lender incurred in connection with the Credit Facilities;
- (l) pay or cause to be paid all sums that become due by a Loan Party to any person, subject to the obligation of such Loan Party to make payments to the Lender hereunder;
- (m) pay or cause to be paid all business taxes as and when the same become payable and upon request produce to the Lender receipts thereof;
- (n) make or cause to be made all payments required pursuant to any mortgage, charge or Encumbrance which has priority to any of the Security;
- (o) subject to Section 141(g)(ii), maintain insurance on all of its assets and properties with financially sound and reputable insurance companies against such perils as is usual with corporations holding similar assets and properties and in an amount not less than their full insurable value, as required by the Term Sheets, and is acceptable to the Lender and its solicitors and provide proof of same to the Lender;
- (p) maintain public liability insurance with financially sound and reputable insurance companies as is usual for corporations conducting businesses similar to the Borrower and as is acceptable to the Lender and its solicitors and provide proof of same to the Lender;

- (q) forthwith upon request furnish at its own expense, a certificate of a competent appraiser or other competent person selected by the Lender as to the sufficiency or otherwise of any insurance and as to the type and amount thereof;
- (r) provide upon request any information, whether financial or otherwise, which the Lender may reasonably require from time to time;
- (s) keep adequate records and books of account in accordance with Generally Accepted Accounting Principles and permit, upon reasonable notice by the Lender to the Borrower, the Lender by its agents, accountants and solicitors to enter upon the premises of a Loan Party and examine such Loan Party's records and books of account and make extracts therefrom and to discuss the records and books of account with officers of such Loan Party at such reasonable times as may be required by the Lender;
- (t) upon reasonable notice by the Lender to the Borrower, permit the Lender its servants and agents, to enter at all reasonable times into and upon the Lands and premises owned or occupied by a Loan Party and view the state and condition thereof and of all such Loan Party's Collateral;
- (u) give to the Lender prompt and immediate notice of any statement of claim, petition writ or other Court process, or distress or seizure that may affect a Loan Party, where such claim, petition writ or Court process advances claims or affects assets of Loan Party in an amount in excess of One Hundred Thousand (\$100,000) Dollars;
- (v) give written notice to the Lender of the occurrence of an Event of Default hereunder or of any other event which, with the giving of notice or the lapse of time, would constitute an Event of Default hereunder, forthwith upon the happening of such occurrence and provide the Lender with details of the action taken or proposed to be taken such Loan Party to remedy same;
- (w) maintain its corporate existence and do all such acts as are required in order to permit it to legally carry on its business;
- (x) carry on and conduct the business of the Loan Parties in a proper and efficient manner;
- (y) **[Intentionally Deleted]**
- (z) do, observe and perform or cause to be done, observed and performed all of its obligations and all matters and things necessary or expedient to be done, observed or performed under or by virtue of any law of Canada or any province or municipality thereof, including, but not limited to, any law pertaining to workplace health and safety and Environmental Laws;
- (aa) ensure that the Lands remain in compliance with all Environmental Laws and shall not place or permit to be placed any Hazardous Substances on the Lands except as permitted by Applicable Law or an appropriate Governmental Authority;
- (bb) shall maintain a system to assure and monitor continued compliance with all applicable Environmental Laws which system shall include periodic review of such compliance and maintain current all environmental remediation payments;

- (cc) (A) employ in connection with the use of the Lands appropriate technology necessary to maintain compliance with any applicable Environmental Laws and (B) dispose of any and all Hazardous Waste generated at the Lands only at facilities and with carriers that maintain valid permits under applicable Environmental Laws. The Loan Parties shall use their best efforts to obtain certificates of disposal, such as hazardous waste manifest receipts, from all treatment, transport, storage or disposal facilities or operators employed by the Loan Parties in connection with the transport or disposal of any Hazardous Waste generated at the Lands;
- (dd) in the event a Loan Party obtains, gives or receives notice of any release or threat of release of a reportable quantity of any Hazardous Substances at the Lands (any such event being hereinafter referred to as a “**Hazardous Discharge**”) or receives any notice of violation, request for information or notification that it is potentially responsible for environmental investigation, study, audit, remedial response, or cleanup order or decrees of environmental conditions at the Lands, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Lands or any Loan Party’s interest therein (any of the foregoing is referred to herein as an “**Environmental Complaint**”) from any Person, including any Governmental Authority responsible in whole or in part for enforcement of Environmental Laws where the Lands are located, then the Borrower shall, within five (5) Business Days, give written notice of same to the Lender, detailing facts and circumstances of which any Loan Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow the Lender to protect its security interest in the Lands and the Collateral and is not intended to create nor shall it create any obligation upon the Lender with respect thereto;
- (ee) respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in response thereto in order to safeguard the health of any Person and to avoid subjecting the Collateral or Lands to any Encumbrance;
- (ff) pay all statutory payroll source deductions when due and immediately advise the Lender of any source deductions that are unremitted;
- (gg) on request by the Lender, the Borrower shall give Canada Revenue Agency and other Governmental Authorities written authorization to disclose to the Lender the status of any priority claims;
- (hh) will pay all premiums and sums of money necessary in relation to any policy or policies of insurance maintained by a Loan Party as the same shall become due;
- (ii) within 10 Business Days of creating or acquiring any Subsidiary (or in the case of the Parent Group, any Subsidiary which carries on business in North America the same as, similar to or related to the Borrower’s business), the Borrower or the Parent Group, as applicable, will cause such Subsidiary to provide the Security required by Section 11 and such other Security as the Lender may reasonably require, in each case, in form and substance acceptable to the Lender, acting reasonably, together with such other supporting documentation and legal opinions as the Lender may reasonably require. The Borrower or the Parent Group, as applicable, will notify the Lender upon the creation or acquisition of

any new Subsidiary promptly upon the creation or acquisition thereof, and in any event, no later than 10 Business Days after any such creation or acquisition; and

- (jj) promptly cure or cause to be cured any defects in the execution and delivery of any of the Loan Documents or any defects in the validity or enforceability of any of the security agreements and at their expense (to the extent the Borrower was responsible for any such defect or default), execute and deliver or cause to be executed and delivered, all such agreements, instruments and other documents as the Lender may consider necessary or desirable, acting reasonably, for the foregoing purposes.

15. Negative Covenants

Each Loan Party covenants and agrees that it shall not, without the prior written approval of the Lender first had and received:

- (a) permit any material change in a Loan Party's business or operations;
- (b) except as it pertains to the Lands or the Fiera Equipment, sell or otherwise dispose of any of its assets – outside the ordinary course - by conveyance, transfer, lease or otherwise where net proceeds from any sale or disposition of assets unless:
 - (i) for a conveyance, transfer or lease less than Two Hundred Fifty Thousand (\$250,000.00) Dollars: the net proceeds of such conveyance, transfer or lease are reinvested in the business of the Loan Party within one hundred eighty (180) days; or
 - (ii) for a conveyance, transfer or lease equal to or greater than Two Hundred Fifty Thousand (\$250,000.00) Dollars: the Lender has provided prior approval for such conveyance, transfer or lease and no Event of Default has occurred or will result from such conveyance, transfer or lease;
- (c) sell or otherwise dispose of the Lands, or any portion thereof, by conveyance, transfer, lease or otherwise;
- (d) other than in relation to the Security, Permitted Future Finance Leases and Permitted Encumbrances, create, assume or permit to exist any Encumbrance on any of the Collateral;
- (e) at any time that:
 - (i) the Debt Service Coverage is less than 2:1, make any Distribution except with the express written consent of the Lender; and
 - (ii) the Debt Service Coverage is equal to or greater than 2:1, make any Distribution where an Event of Default has occurred and is continuing or the making of such Distribution would result in the occurrence of an Event of Default;

other than those Distributions which are made by payment in additional Equity Interests or are otherwise not paid or payable in cash;

- (f) make any payments or transfer any of their undertaking, properties, rights or assets to any person without due consideration which in any manner diverts, or could result in the diversion of, assets and/or opportunities of a Loan Party to such other person;
- (g) reduce its capital or make any distribution of assets (other than Distributions permitted under subsection (e) above);
- (h) redeem or purchase any of its present or future outstanding Equity Interests or otherwise retire or pay off any such Equity Interests;
- (i) do or suffer anything to be done whereby any policy or policies of insurance maintained by a Loan Party may become vitiated; if such Loan Party shall fail to insure or cause to be insured all of its assets or any part thereof, or to pay or cause to be paid the premiums with respect to such insurance or to deliver the policies or contracts as aforesaid or if the Lender receives notice of the intended cancellation of any such policy or contract, the Lender shall be entitled to insure all of its assets, provided however that the Lender shall not be bound to insure all of its assets or, in the event of insuring all of its assets to insure any other than the interest of the Lender only, or to see to the payment of the premiums on any policy or be liable or responsible for any loss arising out of any defect in any policy or failure of any insurance company to pay for any loss thereunder;
- (j) make a loan to or investments in any person (other than to another Loan Party);
- (k) lend any amount to any shareholder, director or officer of a Loan Party (other than to another Loan Party) or person whose relationship to them is non-arms-length as that term is defined in the *Income Tax Act* (Canada) or lend any amount to any other person, firm or corporation, other than in the ordinary course of such Loan Party's business;
- (l) other than in relation to the Loan Documents, become a guarantor of any obligation nor become endorser in respect of any obligation or otherwise become liable upon any note or obligation of any nature or kind whatsoever except for the benefit of the Lender;
- (m) surrender its Certificate of Incorporation, voluntarily wind up its business or take any other steps toward discontinuance of its business;
- (n) change its present Fiscal Year;
- (o) change its name, or the location of its place of business, if it has only one place of business, or its chief executive office without giving the Lender 30 days prior written notice;
- (p) merge, amalgamate or consolidate with or into any other person or corporation, or enter into any transaction or proceeding (whether by way of amalgamation, merger, winding-up, consolidation, arrangement, plan or arrangement, reorganization, transfer, sale, lease or otherwise) whereby any of their undertaking, properties, rights or assets would become the property of any other person or entity, or in the case of amalgamation, of the continuing corporation resulting therefrom, other than a merger, amalgamation, consolidation,

transaction or proceeding where the Borrower gives prior written notice thereof to the Lender and the effect thereof is that:

- (i) the Borrower sells all or substantially all of its assets, or the Parent Group ceases to be the holder of the Equity Interests in the Borrower; or
- (ii) the Borrower amalgamates with JMB (the “**Planned Reorganization**”),

provided that, in respect of subsections (i) and (ii) above, as applicable, the Lender is satisfied with the terms and structure thereof, and such purchaser of the assets, or the Person proposed to be the holder of the Equity Interests, if applicable, provides satisfactory evidence to the Lender (in its sole discretion) that it is financially and operationally able to perform or cause the performance of the terms reflected hereby and the Security contemplated herein, and/or the Parent Group, Loan Parties, and continuing corporation from the Planned Reorganization, as applicable, shall grant in favour of the Lender such new and/or replacement Security to the satisfaction of the Lender, including, without limitation, a reaffirmation and confirmation in respect of the Security, and a new limited recourse guarantee and pledge of equity interests with stock transfers endorsed in blank, and deliver replacement share certificates in respect thereof within 10 days of the Planned Reorganization (“**Permitted Restructuring**”);

- (q) destroy any of its material financial records;
- (r) enter into any contract or arrangement of any nature or kind which would, or would reasonably be expected to, materially adversely affect the Borrower’s assets and the Security;
- (s) make unfinanced capital expenditures in any Fiscal Year in excess of the sum of Two Hundred Fifty Thousand (\$250,000) Dollars;
- (t) during the term of this Agreement, have Purchase Money Obligations or Finance Lease Obligations having annual payment obligations of more than \$2,000,000.00 in the aggregate without prior written consent of the Lender;
- (u) remove any Chattels forming part of each Loan Party’s assets from the Provinces of Alberta or British Columbia;
- (v) permit a Loan Party to default in its obligations pursuant to any Material Agreement which is not waived or, if applicable, cured within the permitted time period provided under such Material Agreement;
- (w) incur or repay any Funded Debt, other than pursuant to or as otherwise expressly permitted under this Agreement, except for Funded Debt secured by the Permitted Encumbrances or any arm’s length trade debts, obligations or other liabilities incurred in the ordinary course of business; and
- (x) do any other act that by the terms of the Loan Documents it is not permitted to do unless the applicable term of such Loan Document is inconsistent with the terms hereof.

16. Financial Covenants

During the term of this Agreement, the Borrower covenants with the Lender that commencing April 1, 2022:

- (a) the ratio of Total Senior Funded Debt to EBITDA shall at all times within such specified period, but tested on a rolling four quarter and consolidated basis, be equal to or less than:
 - (i) for the rolling four fiscal quarters ending June 30, 2022, 10.0:1;
 - (ii) for the rolling four fiscal quarters ending September 30, 2022, 6.0:1;
 - (iii) for the rolling four fiscal quarters ending December 31, 2022, 4.0:1
 - (iv) for the rolling four fiscal quarters ending March 31, 2023 and thereafter, 3.5:1;
- (b) the ratio of Debt Service Coverage shall at all times, but tested on a rolling four quarter and consolidated basis, be equal to or greater than:
 - (i) for the rolling four fiscal quarters ending June 30, 2022, 0.50:1;
 - (ii) for the rolling four fiscal quarters ending September 30, 2022, 0.75:1;
 - (iii) for the rolling four fiscal quarters ending December 31, 2022 and thereafter, 1.25:1; and
- (c) the Current Ratio shall at all times, but tested on a quarterly basis, be equal to or greater than:
 - (i) as at June 30, 2022, 1.00:1;
 - (ii) as at September 30, 2022 and all periods thereafter, 1.25:1.

Provided the Borrower remains in compliance with Section 17 below, compliance with the financial covenants set out herein shall be suspended for a period of one year following the Closing Date.

17. Reports

The Loan Parties shall, in a form and manner prescribed by the Lender (which may include by fax and/or e-mail), deliver to the Lender the following, signed by a senior officer of the Borrower all in form, scope and substance acceptable to the Lender, acting reasonably:

- (a) audited Financial statements of the Borrower within one hundred and twenty (120) days of the end of the Fiscal Year, along with a report showing calculations of financial covenants and a Compliance Certificate signed by an officer of the Borrower;
- (b) unaudited internally prepared, monthly financial statements of the Borrower within thirty (30) days of the end of each month, along with a report showing calculations of financial covenants, a Compliance Certificate and a comparison to

budget and the same period for the year previous signed by an officer of the Borrower is to be included with the reporting package;

- (c) a business plan and monthly operating budget for the coming Fiscal Year within thirty (30) days of the end of each Fiscal Year, including a financial forecast, including income statements, capital expenditures statements, capital expenditure, budget, balance sheet, cash flow, detailed list of assumptions and projected compliance ratios along with (after the first Fiscal Year) management discussion and analysis of any deviation of more than 10% from the prior Fiscal Year;
- (d) a report setting out the sales by the Borrower of Aggregate in the last month and the proceeds of sale of Aggregate actually received in the last month by the Borrower within thirty (30) days of each month end;
- (e) a report on all equipment (as defined in the *Alberta Personal Property Security Act*) purchased and sold which has a purchase or sale price, as applicable, in excess of \$50,000, including costs incurred in such sales and application of proceeds of sale, within one hundred and twenty (120) days of the end of the Fiscal Year;
- (f) a compliance report signed by an officer of the Borrower within thirty (30) days of the end of each month, the effect that full payment has been made of all source deductions (employee deductions, CPP, employment insurance and goods and services tax) required by the applicable government authority have been paid in full and there are no principal interest arrears, all property taxes have been paid and Borrower is in full and complete compliance with conditions of its Funded Debt;
- (g) such additional financial information with respect to the Borrower as and when reasonably requested by the Lender; and
- (h) forthwith, particulars of any occurrence which constitutes an Event of Default, or of any action, suit or proceeding, pending or to the Borrower's knowledge threatened against the Borrower,

provided that to the extent the Planned Reorganization does not occur within 90 days following the Closing Date, each of the Loan Parties shall be required to deliver the information required to be delivered pursuant to subsections (a) through (g), inclusive.

18. Representations

Each Loan Party represents and warrants that:

- (a) each Loan Party: (i) is a corporation or company has been duly incorporated, amalgamated or continued, as the case may be, and is validly subsisting as a corporation or company and qualified to do business under the laws of its jurisdiction of incorporation, amalgamation, or continuance, as the case may be, (ii) that is not a corporation or company has been duly created or established as a partnership, limited partnership, trust or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) has not adopted or designated any name (including any French name) except as set forth on Schedule H;

- (b) each Loan Party is in compliance with all material laws, regulations and orders of any Governmental Authority applicable to it or its property and all material indentures, agreements and other instruments binding upon it or its property;
- (c) each Loan Party has full power, authority and capacity to execute and deliver the Loan Documents to which it is party and to carry out the transactions contemplated herein and therein, all of which have been duly and validly authorized by all necessary corporate proceedings and that the documents hereinbefore referred to have been duly executed and delivered by such Loan Party;
- (d) neither the execution nor delivery of a Loan Document, nor the fulfillment of or compliance with the terms and provisions thereof will contravene any provision of law, including, without limitation, any statute, rule, regulation, judgment, decree, order, franchise or permit applicable to a Loan Party or conflict with or result in a material breach of the terms, conditions or provisions of or constitute a default under any agreement or instrument to which such Loan Party is now a party or by which any of its property or assets may be bound or affected;
- (e) each Loan Document constitutes legal, valid and binding obligations of the each Loan Party enforceable in accordance with their respective terms, except as enforceability may be limited by general principles of equity and by bankruptcy and insolvency laws;
- (f) except as disclosed to the Lender in Schedule J, to the best of its knowledge and belief, there are no pending or threatened actions or proceedings before any Court or administrative agency which may materially adversely affect the financial condition or operations of the Loan Parties;
- (g) the contents of all documents furnished to the Lender by or on behalf of a Loan Party to induce the Lender to lend the monies hereunder are true and correct in all material respects and accurately set out all the facts contained therein and do not omit any fact necessary in order to make such information not misleading in any material way;
- (h) all financial information and statements which have been delivered to the Lender are true and accurate and have been prepared in accordance with Generally Accepted Accounting Principles consistently applied and fairly represent the financial position of the person or entity which each purports to reflect and the financial position so reflected has not suffered, or could not reasonably be expected to have suffered, either individually or in the aggregate, any Material Adverse Effect to the date hereof;
- (i) other than in relation to Permitted Encumbrances, each Loan Party and its assets are not a party to or bound by any contract, agreement or undertaking or subject to any restriction in constating documents or to any other corporate, contractual or personal restriction or inhibition howsoever imposed that would materially or adversely affect the business, property, assets or financial condition of such Loan Party;
- (j) each Loan Party lawfully owns and is lawfully in possession of all of its assets and that it has a good right and lawful authority to grant, convey, assign, transfer,

hypothecate, mortgage, pledge and charge its assets as provided herein and in the Security;

- (k) other than in relation to the Permitted Encumbrances, there are no Encumbrances of any nature or kind in existence or promised which are in any manner capable of becoming registered so as to give priority of same to the detriment of the Security;
- (l) there are no outstanding judgments or awards against the Loan Parties, except as have been disclosed to the Lender in writing;
- (m) except as disclosed to the Lender in Schedule J, there is no fact known to the Loan Parties which materially or adversely affects or to the extent reasonably foreseeable by the Loan Parties is reasonably expected in the future to materially or adversely affect the business prospects or financial condition of the any of the Loan Parties or their assets;
- (n) each Loan Party has filed all material tax returns which are required to be filed by it and has paid all taxes and claims arising therefrom ranking in priority to the Encumbrances created by the Security (including interest and penalties) which are due and payable, unless such payment is being contested in good faith by appropriate proceedings and adequate reserves, as determined by the Lender acting reasonably, are held in respect thereof;
- (o) the authorized capital of the Loan Parties is as set out in the attached Schedule C;
- (p) each Loan Party owns, or is licensed to use, all trademarks, tradenames, copyrights, patents or other intellectual property material to its business, and the use thereof by such Loan Party does not infringe upon the rights of any other person;
- (q) (i) as of the date hereof, none of the Loan Parties is in default under any of their respective obligations and, except as disclosed to the Lender in Schedule J, there are no actions, suits or proceedings, pending or, to their knowledge, threatened, against or affecting any of them and (ii) none of the Loan Parties is in default under any of their respective material obligations and, except as disclosed to the Lender in Schedule J, there are no material actions, suits or proceedings, pending or, to their knowledge, threatened, against or affecting any of them;
- (r) except as disclosed to the Lender in Schedule J, none of the Loan Parties are aware of any facts or circumstances that would have a material adverse impact on the value of the Collateral;
- (s) as of the date hereof, both before and after giving effect to (a) the financing transaction to be consummated on the date hereof and (b) the payment and accrual of all fees, costs and expenses in connection therewith, each Loan Party is and will be solvent;
- (t) the ownership structure set out in Schedule H accurately reflects the organizational and ownership structure of each Loan Party as at the date hereof.

The Relevant Jurisdictions for each of the Loan Parties are set forth on Schedule H; and

- (u) no event or circumstance has occurred which has had or could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, which has not been fully and accurately disclosed to the Lender in writing.

All representations and warranties of the Loan Parties shall be true and accurate as of the date of any advance under the Credit Facilities (other than representations or warranties made as of a specific date) and shall survive the advance of any funds by the Lender to the Borrower or the delivery or registration (if applicable) of the Security and shall continue until the Security has been discharged and released in full by the Lender.

19. Events of Default

Each of the following shall constitute an Event of Default:

- (a) if the Borrower shall make default in payment of any principal or interest in regard to the Indebtedness;
- (b) if any Loan Party should default or be in breach of the performance or observance of any part of the covenants, agreements, conditions on the part of such Loan Party to be kept, observed, performed or given hereunder or under the Loan Documents or should any other person, firm, or company being a party to Loan Document fail to carry out or observe any covenant or condition herein or therein on its part to be observed or performed and such deficit or failure is not cured by such Loan Party within thirty (30) days following receipt of notice from the Lender;
- (c) if any representation or warranty made by a Loan Party with respect to a Loan Document or any other information provided in support of the Borrower's application to the Lender for the Credit Facilities is found to be materially incorrect and such incorrect representation or warranty has not remedied within thirty (30) days after written notice of such incorrect representation or warranty is given to the Borrower by the Lender;
- (d) if any Loan Party shall create or attempt to create any mortgage or charge or permit any Encumbrance to be created or arise on any of its assets except a Permitted Encumbrance;
- (e) if a Loan Party should fail to pay any charges, rents, taxes, or rates on leasehold property, or other charges of a like nature, or if a Loan Party fails to observe and perform any of the covenants, payments or conditions in any lease, license, concession, agreement, mortgage, agreement for sale, charge or Encumbrance and such failure or default could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;
- (f) if a Loan Party defaults under any Material Agreement to which it is a party and such failure or breach is not waived, remedied or cured by such Loan Party within thirty (30) days;
- (g) if a Loan Party makes default in the payment of the principal or interest in relation to any other borrowed money, credit facilities or mortgages, and such default is

not cured or waived within the earlier of ten (10) Business Days of notice or any applicable cure period provided for thereunder;

- (h) if a Loan Party makes default in the performance of any term, condition or covenant contained in any instrument under which any Funded Debt in an amount exceeding \$100,000 is outstanding and such default is not cured or waived within any applicable cure period provided for thereunder;
- (i) if an order shall be made or an effective resolution passed for the winding-up of a Loan Party or any member of the Parent Group, or if a petition is filed for the winding-up of such Loan Party or member of the Parent Group;
- (j) if a Loan Party or any member of the Parent Group shall make an assignment for the benefit of creditors or be declared bankrupt, or if a custodian or receiver or receiver and manager or other officer with similar powers be appointed with respect to such Loan Party or member of the Parent Group or any of its property or if such Loan Party or member of the Parent Group makes or files a notice of intention to make a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* (or equivalent legislation in the promulgated pursuant to the laws of the United States of America) as now or hereafter in force or makes any arrangement with its creditors pursuant to the terms of the *Business Corporations Act* of Alberta (or equivalent legislation in the promulgated pursuant to the laws of the United States of America) as now or hereafter in force;
- (k) if a Loan Party ceases or threatens to cease to carry on its business or if such Loan Party or a member of the Parent Group commits any act of bankruptcy;
- (l) if a Loan Party or any member of the Parent Group passes or purports to pass any resolution or takes or purports to take any corporate proceedings which would result in its reorganization, amalgamation or merger with another entity or the transfer of all or substantially all of its assets other than as permitted under this Agreement or with the prior written consent of the Lender, or take proceedings for its dissolution or liquidation;
- (m) if a Loan Party or any member of the Parent Group shall lose its charter by expiration, forfeiture or otherwise or if a receiver or receiver-manager for all or any part of such Loan Party's or member of the Parent Group's assets or any other party with like powers shall be appointed;
- (n) if any execution, distress, sequestration or any other process of any court become enforceable against a Loan Party or any member of the Parent Group or if a distress or analogous process is levied upon the property of such Loan Party or member of the Parent Group or any part thereof, provided however that the Security shall not be enforceable if:
 - (i) such execution, sequestration or other process is in good faith being disputed by such Loan Party or member of the Parent Group;
 - (ii) the Lender does not, in its sole discretion, feel that such execution, distress, sequestration or other process hereinbefore referred to jeopardizes or impairs its security, or prejudices the rights of the Lender; and

- (iii) at the Lender's request, such Loan Party or member of the Parent Group provides further security which the Lender in its absolute discretion deems sufficient to pay in full the amount claimed in the event that the execution, distress, sequestration or any other process as hereinbefore referred to is held to be valid against such Loan Party or member of the Parent Group;
- (o) except in the ordinary course of business or as permitted pursuant to the Loan Documents, if any assets of a Loan Party are either directly or indirectly (including without limitation by way of transfer or sale of Equity Interests) sold, transferred, assigned, conveyed, removed, alienated or disposed of in any manner whatsoever by such Loan Party or if the Lender, acting reasonably, deems such Loan Party's assets or any part thereof are in danger of being sold, transferred, assigned, conveyed, removed, alienated or disposed of;
- (p) if, without the Lender's prior written consent, there is a Change in Control, other than a Change of Control that constitutes a Permitted Restructuring;
- (q) if a Loan Party defaults under any other loan or mortgage to which it is a party, including, but not limited to, any breach of the Security and any agreement regarding a Finance Lease and such default is not waived or cured;
- (r) if the Security shall cease to be in full force and effect and/or ceases to rank in the priority contemplated herein against the Collateral, or the validity thereof or the applicability thereof to this Agreement or of any of the obligations of a Loan Party thereunder or hereunder shall be disaffirmed by or on behalf of such Loan Party;
- (s) if any default occurs under any other credit, facility or security agreement to which a Loan Party or any member of the Parent Group is a party and such breach continues for ten (10) days after such Loan Party or member of the Parent Group shall have received written notice of same;
- (t) if a Loan Party makes a Distribution except as otherwise permitted hereunder;
- (u) if the Security is or becomes illegal, invalid, prohibited or unenforceable and/or ceases to rank in the priority contemplated herein against the Collateral; and
- (v) if a Material Adverse Change has occurred.

Upon the happening of any Event of Default, the Lender may, upon written notice to the Borrower, declare the Indebtedness to be immediately due and payable whether with or without prior demand therefore, and the Security shall become enforceable in each and every such event. The occurrence of an Event of Default shall constitute such demand as may be required with respect to any Security and shall be deemed to constitute an Event of Default under any of the Security and the Lender shall thereupon have all rights and remedies available to it at law or in equity consequent thereon, whether arising by virtue the Security, this Agreement or otherwise, including without limiting the generality of the foregoing, the right and power of the Lender to take possession of the undertaking, property and assets of the Borrower and/or appoint a receiver or receiver-manager with respect to such undertaking, property and assets. Notwithstanding anything contained herein, the recourse of the Lender against the Borrower in respect of the Facility C Principal shall be limited to the sale proceeds of the then Remaining Fiera Equipment.

20. Environmental Indemnity

Each Loan Party hereby represents and warrants that its business and assets and are operated in compliance with applicable Environmental Laws and that, except as disclosed to the Lender in Schedule J, to its knowledge, no enforcement action in respect thereof is threatened or pending, and covenants to continue to so operate. If (i) a Loan Party has knowledge of or (ii) if the Lender, at any time, has a reasonable basis to believe that the property of a Loan Party has had a Hazardous Discharge, or remediation work to the Lands is required, including, without limitation, remediation to the Purchased Pits, or is subject to any Environmental Complaint, then each Loan Party shall provide the Lender with such reports, certificates, environmental audits, engineering studies or other written material or data as the Lender, acting reasonably, may require from it so as to satisfy the Lender that the Loan Parties, as applicable, are in compliance with all applicable Environmental Laws. If the Lender is required to expend any funds in compliance with applicable Environmental Laws or court orders in respect thereof in respect of the operations or assets of a Loan Party, each Loan Party shall indemnify the Lender in respect of such expenditures as if an Advance had been made to the Borrower under this Agreement for such purpose.

21. Preserve Security

In the event that a Loan Party shall fail to pay or cause to be paid any sum payable by it, whether according to the terms of this Agreement or otherwise, when they become payable, or shall fail to repair or cause to be repaired any buildings or improvements on the Lands, the Lender may, without prejudice to any other rights available to the Lender, pay said sum or make arrangements for such repairs and the Lender may make such other expenditures as it deems necessary so as to protect any Security or to perfect title to any Security and all sums so expended or Indebtedness incurred by the Lender, together with all costs, charges and expenses, including legal fees as between a solicitor and his client, shall be added to and form part of the Indebtedness and be secured by the Security and bear interest until paid at a rate equal to the rate of interest specified herein.

22. Subordination/Intercreditor Arrangements

Upon the Borrower establishing credit facilities with an operating lender for the sole purpose of financing the operating expenses of the Borrower, the Lender shall, within a reasonable period of time, enter into an inter-creditor agreement with such operating lender to, *inter alia*, address the rank and priority of the operating facilities, and pursuant to which the Lender shall subordinate to such operating lender's interest in the Borrower's accounts receivables and Inventory (but explicitly excluding the proceeds of sale of the Inventory payable to the Lender in accordance with the terms herein to repay the Facility B Principal).

23. Further Security

The Loan Parties and the Parent Group shall forthwith, upon receipt of a request from the Lender therefore, acting reasonably, execute and deliver, or cause to be executed and delivered, to the Lender such further documents and securities and shall do such things as shall be required by the Lender to ensure that the full liability of the Borrower to the Lender shall be secured as reasonably may be required by the Lender.

24. Deemed Reinvestment

It is hereby declared, for the purpose of greater certainty, that the principle of deemed reinvestment of interest shall not affect the calculation of interest payable under this Agreement or the Security.

25. Legal Fees

All legal fees and disbursements of the Lender related to the preparation of this Agreement, the Security and any renewal or renewals of the Security shall be paid by the Borrower and may be deducted by the Lender or its solicitors from any loan proceeds.

Each Loan Party, jointly and severally, shall pay, on demand, all costs incurred by the Lender in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting (including legal costs as between a solicitor and his own client on a full indemnity basis and also an allowance for the time, work and expenses of the Lender or of any agent, solicitor or servant of the Lender for any purpose herein provided), together with all sums which the Lender from time to time advances, expends or incurs pursuant to any provision contained in this Agreement or the Security, whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Loan Parties or otherwise, together with interest thereon at the highest rate payable pursuant to this Agreement calculated from the Closing Date or expenditure by the Lender to the date of payment by the Loan Party.

26. Enforcement

The Lender may at any time after the occurrence of an Event of Default without notice and without any other formality, all of which are hereby waived, enforce any or all of the Security; provided that notwithstanding anything herein or in any of the Security contained, the Lender shall not under any circumstances be bound or obligated to enforce all or any of the Security nor shall the Lender be obligated to collect or cause to be collected any amounts owing in respect of any of the Security.

27. No Merger

Nothing in this Agreement, in any of the Security given hereunder or which may be acquired by the Lender with respect to this Agreement, and no act or omission by the Lender with respect to any Loan Document shall in any way prejudice the rights, remedies or powers of the Lender against the Loan Parties with respect to the Indebtedness, or any Security now or hereafter held by the Lender. The Security held by the Lender shall not operate by way of merger of any portion of the Indebtedness of a Loan Party to the Lender hereunder or under any deed, guarantee, contract, draft, bill of exchange, promissory note or other negotiable instrument, or otherwise howsoever, by which the same may now or at any time hereafter arise or be represented or evidenced, and no judgment recovered by the Lender shall merge or in any way affect any of the Security or the Lender's right to interest thereon.

28. Right of Application

The Lender may from time to time apply and re-apply (and notwithstanding any previous application) in such manner as it, in its sole discretion sees fit, any monies received by it from a Loan Party or from collections, sales, or realizations of, on or under any Security, other than in respect of the Fiera Equipment (which shall be applicable solely to Facility C) or Inventory (which shall be applied first to Facility B), after first deducting the charges therefore or any

expenses thereof, including costs as between a solicitor and his client, in or toward payment of any portion of the Indebtedness; and any such monies may be held by the Lender unappropriated in a collateral account for such time as the Lender sees fit; and the Loan Parties shall have no right to make or require any appropriation inconsistent with any such application by the Lender; and the taking of a judgment or judgments or any other action or dealing whatsoever by the Lender in respect of any Security given or to be given by the Loan Parties shall not operate as a merger of any other Security given to the Lender or any part thereof, or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which the Lender may have in connection with such Security or the Indebtedness; and the foreclosure, surrender, cancellation, variation or any other dealing with or modification of any Security for such Indebtedness shall not release or affect the liability of a Loan Party for its total Indebtedness or release or affect any other part of the Security held by the Lender.

29. Termination

This Agreement shall continue in full force and effect, notwithstanding that there may be at any time and from time to time no Indebtedness owing, until terminated by the Lender, but this Agreement may be terminated by the Borrower upon written notice delivered to the Lender at any time when there is no Indebtedness or other obligation outstanding to the Lender. Upon termination of this Agreement, the Loan Parties shall be entitled to discharges of all Security then held by the Lender hereunder provided that the cost of preparing, executing, delivering and, if necessary, registering such discharges shall be paid by the Loan Parties, including fees as between a solicitor and his client, provided such expense is permitted by Applicable Law.

30. Taxes

The following shall apply as to taxes payable (excluding income taxes of the Lender):

- (a) any and all payments by or on account of any obligation of a Loan Party hereunder shall be made free and clear of and without deduction for any taxes; provided that if a Loan Party shall be required to deduct any taxes from such payments, then (i) the sum payable shall be increased as necessary so that, after making all required deductions (including deductions applicable to additional sums payable under this Section), the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Loan Party shall make such deductions and (iii) the Loan Party shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.
- (b) in addition, each Loan Party shall pay any such taxes to the relevant Governmental Authority in accordance with Applicable Law.
- (c) each Loan Party shall indemnify the Lender, within 10 days after written demand therefor, for the full amount of any such taxes paid by the Lender, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to a Loan Party by the Lender, shall be *prima facie* evidence absent manifest error.
- (d) if requested by the Lender from time to time, each Loan Party shall deliver to the Lender the original or a certified copy of a receipt issued by the applicable Governmental Authority, a copy of the return reporting payment, or such other

evidence reasonably satisfactory to the Lender evidencing payment of taxes by the Loan Party.

31. Incorporate Terms

Subject to Section 32, the terms of the Security form a part of this Agreement as if the terms thereof were expressly and specifically set forth or stated herein.

32. Conflict

In the event of any conflict between the terms of this Agreement and the terms of any Security (or for any inconsistency between this Agreement where it is more persuasive or less restrictive than the Security), the provisions of this Agreement shall prevail to the extent necessary to remove such conflict; provided however, that a conflict or inconsistency shall not be deemed to exist only by reason of one of the Agreement or the Security not providing for such matter.

33. Notices

Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if:

- (a) personally delivered to the party to whom it is intended or if such party is a corporation to an officer of that corporation; or
- (b) mailed by prepaid registered mail, transmitted by email or delivered, to the address or email of the party to whom it is intended as follows:

- (i) if to the Loan Parties, then:

Resource Land Holdings, LLC
1400 16th St, Suite 320
Denver, CO 80209

Attention: Byron Levkulich, CFA, CPA, Director
Email: Byron.Levkulich@RLHoldings.com

- (ii) if to the Lender prior to April 30, 2021 (or such other date as the Lender may notify the Loan Parties) then:

Fiera Private Debt
20 Adelaide Street East, Suite 1500,
Toronto, Ontario M5C 2T6

Attention: Stephen Zagrodny, Senior Director, Corporate & Infrastructure
Debt Financing
E-mail: szagrodny@fieracapital.com

and thereafter at:

Fiera Private Debt
RBC Plaza South Tower
200 Bay Street, Suite 3700
Toronto, Ontario M5J 2T6

Attention: Stephen Zagrodny, Senior Director, Corporate & Infrastructure
Debt Financing
Email: szagrodny@fieracapital.com

or to such other address or number as a party may from time to time direct in writing.

Any notice delivered before 4:30 p.m. local time on a day that is not a Saturday, Sunday or statutory holiday in Alberta (a "**Business Day**") shall be deemed to have been received on the date of delivery and any notice delivered after 4:30 p.m. local time on a Business Day or delivered on a day other than a Business Day, shall be deemed to have been received on the next Business Day. Any notice mailed shall be deemed to have been received seventy two (72) hours after the date it is postmarked. Any notice sent by e-mail before 4:30 p.m. local time on a Business Day shall be deemed to have been received when the sender receives the answer back confirming receipt by the recipient; provided, however, that any e-mail received after 4:30 p.m. local time on a Business Day or received on a day other than a Business Day shall be deemed to have been received on the next Business Day. If normal mail or communications service is interrupted by strike, slow-down, force majeure or other cause after the notice has been sent the notice will not be deemed to have been received until actually received. In the event normal mail service is impaired at the time of sending the notice, then personal delivery or email transmission only shall be effective.

34. Headings

The headings in this Agreement have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

35. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

36. Additional Agreements

The Security contains covenants, representations, warranties and events of default to which the Loan Parties shall be bound, in addition to any covenants, representations, warranties and events of default herein contained;

37. Review

The Lender may conduct periodic reviews of the affairs of the Loan Parties, as and when determined by the Lender for the purpose of evaluating the financial condition of the Loan Parties. Each Loan Party shall make available to the Lender such financial statements and other information and documentation as the Lender may reasonably require and shall do all things reasonably necessary to facilitate such review.

38. Schedules

The Schedules attached hereto are incorporated into this Agreement by reference

39. Time of Essence

Time shall be of the essence of this Agreement and of every part hereof.

40. Payment of Monies

The parties acknowledge and agree that any payment of monies required to be made hereunder shall be made in Canadian funds and that any tender of monies or documents hereunder may be made upon the solicitors acting for the party upon whom the tender is desired and it shall be sufficient that a negotiable bank draft is tendered instead of cash.

41. Due Date Extended

The parties acknowledge and agree that if any date for payment of monies hereunder or fulfillment of any obligation hereunder shall fall on a day that is not a Business Day such date for the payment of such monies or fulfillment of such obligation hereunder shall be deemed postponed and extended to the next following Business Day.

42. Unenforceable Terms

If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Agreement or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

43. Survival of Representations and Warranties

The representations and warranties contained herein or made pursuant to this Agreement and all other security documents shall survive until the termination of this Agreement.

44. Joint and Several

Where more than one person is liable as Borrower for any obligation under this Agreement, the liability of each person for such obligation is joint and several with each other such person.

45. Amendments

This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

46. Entire Agreement

This Agreement and all attachments hereto, the security and any other written agreement delivered pursuant to or referred to in this Agreement constitute the entire agreement among the parties with respect to the subject matter set forth herein or therein and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter thereof.

47. Counterparts; Electronic Signature

This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement and shall become effective when all counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all

parties need not sign the same counterpart. Each party agrees that the electronic signatures, whether digital or encrypted, of any party included in this Agreement shall be as effective as delivery by the parties of a manually executed copy of this Agreement and is intended to authenticate this writing and to have the same force and effect as manual signatures.

48. No Waiver

No consent or waiver, express or implied, by the Lender to or of any breach or default by the Borrower in the performance by the Borrower of its obligations hereunder or under any Security shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by the Borrower. Failure by the Lender to complain of any act or failure to act of the Borrower or to declare the Borrower in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

49. Assignment

This Agreement may be assigned by the Lender prior to the occurrence of an Event of Default with the prior written consent of the Borrower and after the occurrence of an Event of Default without consent, in which event the Borrower shall attorn in all respects to such assignment and the assignee thereof. No Borrower may assign this Agreement without the consent of the Lender, provided, however, that the Lender shall upon prior written request by the Borrower provide consent to an assignment of this Agreement in the case of a Permitted Restructuring as approved hereunder.

50. Singular, Plural and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one party.


51. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and the successors and permitted assigns of the Borrower and the successors and assigns of the Lender.

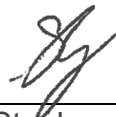
[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF the parties have executed the within Agreement on the day and year first above written.

FIERA PRIVATE DEBT FUND V LP by its general partner **FIERA PRIVATE DEBT FUND GP INC.**


Per: 

Name: Philip Robson
Title: ASO

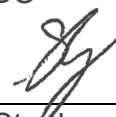
Per: 

Name: Stephen Zagrodny
Title: ASO

FIERA PRIVATE DEBT FUND VI LP by its general partner **FIERA PRIVATE DEBT FUND GP INC.**

Per: 

Name: Philip Robson
Title: ASO

Per: 

Name: Stephen Zagrodny
Title: ASO

MANTLE MATERIALS GROUP, LTD.

Per: _____
Name: Byron Levkulich
Title: Director

Per: _____
Name: Aaron Patsch
Title: Director

IN WITNESS WHEREOF the parties have executed the within Agreement on the day and year first above written.

FIERA PRIVATE DEBT FUND V LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:

Name:

Title:

Per:

Name:

Title:

FIERA PRIVATE DEBT FUND VI LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:

Name:

Title:

Per:

Name:

Title:

MANTLE MATERIALS GROUP, LTD.


Per:



Name: Byron Levkulich

Title: Director

Per:



Name: Aaron Patsch

Title: Director

JMB CRUSHING SYSTEMS INC.

Per: Byron Levkulich
Byron Levkulich (Apr 13, 2021 18:40 MDT)
Name: Byron Levkulich
Title: Director

Per: Aaron M Patsch
Aaron M Patsch (Apr 20, 2021 20:47 MDT)
Name: Aaron Patsch
Title: Director

2161889 ALBERTA LTD.

Per: Blake M. Elyea
Blake M. Elyea (Apr 20, 2021 21:55 PDT)
Name: Blake Elyea
Title: Chief Restructuring Advisor

Per: _____
Name:
Title:

**SCHEDULE A
PERMITTED ENCUMBRANCES**

The registrations listed in the attached personal property search results and including the following:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith by appropriate proceedings;
- (b) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith and by appropriate proceedings;
- (c) easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower;
- (d) any builder's, mechanic's, garageman's, labourer's or materialman's lien or other similar lien arising in the ordinary course of business or out of the construction or improvement of any land or arising out of the furnishing of materials or supplies, provided that such lien secures monies not at the time overdue, or, if due or delinquent, the validity of which is being contested in good faith by appropriate proceedings;
- (e) Encumbrances incidental to the conduct of business or the ownership of property and assets not incurred in connection with the borrowing of money or obtaining credit and which do not, in the aggregate, detract in any material way from the value or usefulness of the property and assets of the Borrower;
- (f) any claim or Encumbrance from time to time consented to by the Lender;
- (g) in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, in the aggregate, will not materially impair the use of such land for the purposes for which such land is held;
- (h) Security Interests or Encumbrances given by the Borrower to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrower;
- (i) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- (j) Security Interests securing a purchase money obligation, provided that (i) such security interests shall attach only to the property acquired in connection with which such purchase money obligation was incurred and (ii) such purchase money obligation is not prohibited pursuant to Section 15(t);

- (k) landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of the Borrower;
- (l) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money), (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Borrower is a party, or (iii) letters of credit or bonds securing the Borrower's reclamation and remediation obligations under surface material agreements and royalty agreements;
- (m) the Security Documents and the Security;
- (n) the Permitted Future Finance Leases;
- (o) the Permitted Future PMOs;
- (p) the Permitted Future Working Capital Security;
- (q) the Permitted Future Subordinated Debt Security; and
- (r) the Security Interest in favour of ATB attaching to the ATB Aggregate and any proceeds thereof, including a real property mortgage (provided the mortgage does not secure Debt for longer than a 4 year term, with payment amounts calculated on the basis of a not shorter than 20 year amortization, and with an interest rate of not greater than 3.5%) granted by the Borrower in favour ATB in respect of the lands legally described as:

The North East Quarter of Section Thirty Five (35)
 Township Fifty Six (56)
 Range Six (6)
 West of the Fourth Meridian
 Containing 64.7 Hectares (160 Acres) more or less
 Excepting thereout:

	Hectares (Acres) more or less
A) Plan 6430 KS – Road	0.417 (1.03)
B) Plan 395 RS – Road	0.615 (1.52)
C) Plan 9222585 – Road	0.407 (1.01)

Excepting thereout all mines and minerals

and

The South West Quarter of Section Eleven (11)
 Township Fifty Seven (57)
 Range Six (6)
 West of the Fourth Meridian, lying to the west of the westerly limit of land required for railway purposes, as shown on Plan 7521297 and south of the south limit of Road Plan 3445BM, containing 7.17 hectares (17.72 acres) more or less
 Excepting thereout all mines and minerals and the right to work the same

**SCHEDULE B
COMPLIANCE CERTIFICATE**

FIERA PRIVATE DEBT FUND V LP
- AND -
FIERA PRIVATE DEBT FUND VI LP
 20 Adelaide Street East, Suite 1500,
 Toronto, Ontario M5C 2T6
 E-mail: szagrodny@fieracapital.com

This Compliance Certificate is provided pursuant to the loan agreement made effective the 26 day of April, 2021 (as the same may be amended, restated, modified, supplemented or replaced from time to time, the "**Loan Agreement**") among Mantle Materials Group, Ltd., as borrower (the "**Borrower**"), and JMB Crushing Systems Inc., and 2161889 Alberta Ltd., as guarantors, and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc., and Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc., as lenders (collectively, the "**Lender**"). All terms and expressions used herein but not otherwise defined shall have the same meanings herein as are ascribed thereto in the Loan Agreement.

The Borrower represents and warrants as follows:

1. this Compliance Certificate is a true, correct and complete statement of, and that the information contained herein is true, correct and complete in all material respects, and that the amounts reflected herein are in compliance with the provisions of the Loan Agreement;
2. no Event of Default has occurred or is continuing; and
3. all representations and warranties contained in the Loan Agreement and the Security (other than any representations or warranties made as of a specific date) are true and correct in all material respects.

[NTD: To be included for applicable reporting periods only.] [The Borrower hereby certifies that as follows:

- (a) for the time period _____, the ratio of Total Funded Debt to EBITDA was _____ to 1;
- (b) for the time period _____, the ratio of Debt Service Coverage was _____ to 1; and
- (c) for the time period _____, the Current Ratio was _____ to 1.

The calculations of the ratios set out above are attached as Exhibit I to this Compliance Certificate.]

[SIGNATURES FOLLOW ON NEXT PAGE]

DATED this _____ day of _____.

MANTLE MATERIALS GROUP, LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

**EXHIBIT I TO COMPLIANCE CERTIFICATE
CALCULATION OF FINANCIAL COVENANT RATIOS**

[See attached]

**SCHEDULE C
SHARE CAPITAL**

MANTLE MATERIALS GROUP, LTD.	
Shareholder	Number and Class of Shares
RLF Canada Holdings Limited	100 Class A Preferred Shares

JMB CRUSHING SYSTEMS INC.	
Shareholder	Number and Class of Shares
RLF Canada Holdings Limited	51,513.165 Class A Common Shares

2161889 ALBERTA LTD.	
Shareholder	Number and Class of Shares
JMB Crushing Systems Inc.	15,500,049 Class A Common Shares

**SCHEDULE D
TERM SHEET**

[See attached]



1257568 B.C. Ltd.

**Summary of Terms to be incorporated into a new Loan Agreement upon the purchase of the assets of JMB Crushing Systems Inc. ("JMB") and 2161889 Alberta Ltd. ("216")
July 20, 2020**

This summary proposal is for discussion purposes only and should not be considered exhaustive or conclusive. It is not a commitment, but rather, upon acceptance by the New Borrower of the terms and conditions herein, a more detailed Loan Agreement will be prepared by the Lender's counsel. All dollar figures are Canadian dollars. All capitalized terms set out herein and not otherwise defined shall have the meaning ascribed to them in the draft loan agreement circulated on July 21, 2020 (the "Loan Agreement").

Pursuant to an initial order of the Court of Queen's Bench of Alberta made on May 1, 2020, as amended on May 11, 2020, JMB and 216 were given protection under the Companies' Creditors Arrangement Act (Canada), FTI Consulting Canada Inc. was appointed monitor (the "Monitor") and a sale and investment solicitation procedure was approved pursuant to which the Monitor and a sale advisor would market and sell the property and assets of JMB and 216 (the "SISP").

1257568 B.C. Ltd. (the "New Borrower") intends to submit a Phase 2 Bid in the SISP in the form of an asset purchase agreement dated as of July 21, 2020 between JMB and 216 as vendors and the New Borrower as purchaser (the "APA", and such purchase and sale, the "Transaction"), pursuant to which the New Borrower will purchase certain assets of JMB and 216 for a purchase price payable in part by way of assuming a portion of the secured indebtedness owing to the Lender by JMB in the amount of \$15,500,000 (the "Loan"). Therefore, in the event the APA is approved by the Court and is the successful Transaction under the SISP, the Lender is prepared to put forward to the New Borrower the following terms and conditions that would be agreed to as part of the Loan Agreement with the New Borrower.

- Lender:** Fiera Private Debt Fund V LP and Fiera Private Debt Fund VI LP
- New Borrower:** 1257568 B.C. Ltd.
- Guarantors:** All existing and future subsidiaries of the New Borrower as determined by the Lender.
- Facilities:**
- Facility A – Amortizing Debt**
- CDN\$3,500,000 non-revolving credit facility
 - Facility B – Repayment per Sale of Aggregate**
- CDN \$6,000,000 non-revolving credit facility
 - Facility C – Equipment**
- non-revolving credit facility available in an amount equal to the lesser of (i) CDN \$6,000,000, being the aggregate appraised value of the equipment listed in Schedule D of the APA under the heading "Fiera Equipment", less lesser of the net proceeds of sale to third parties in the SISP of any Fiera Equipment or the appraised value of such Fiera Equipment, or (ii) aggregate net proceeds of sale by the New Borrower of the remaining Fiera Equipment after the SISP.

**Amortization and
Principal Repayments:**

Facility A

- Provided there has occurred no Event of Default that is continuing, two (2) years of interest-only payments payable quarterly, followed by equal blended monthly payments of principal and interest based on a six (6) year amortization period.

Facility B

- in monthly payments commencing one (1) year following close, in an amount equal to \$1 per tonne of aggregates sold by the New Borrower to third parties to repay the principal.
- such monthly payments shall be payable after commencement on the forty-fifth (45th) day after the end of the month in which such sales occur on the basis of the proceeds of such sales actually received in such month by the New Borrower, and shall continue until the Facility B principal amount is repaid in full.
- The New Borrower shall deliver to the Lender within 30 days of each month end a sales report setting out the proceeds of sales actually received in the last month by the New Borrower.

Facility C

- to be repaid from the proceeds of any sale of the Fiera Equipment, net of such reasonable costs associated with such sales as approved by the Lender, such that upon the sale of the last item of Fiera Equipment, the principal amount under Facility C shall be repaid in full.

Interest Rate:

7.00% per annum accrued daily with respect to Facility A.

Prepayment:

Provided no Event of Default has occurred and is continuing, the New Borrower shall have the ability to prepay:

- (i) all (and only all) of the indebtedness outstanding at any time in relation to Facility A by provision of thirty (30) days' notice and payment of the Interest Rate Differential;
- (ii) some or all of the indebtedness outstanding at any time in relation to Facility B and Facility C by provision of thirty (30) days' notice, but without further notice, bonus or penalty, provided however, that any partial prepayment shall in no way release the New Borrower from its obligation to make any payments required pursuant to the provisions of the Security or the loan agreement.

Security:

Standard for a loan of this nature, including but not limited to:

- (i) a general security agreement from the New Borrower;
- (ii) an assignment of Material Agreements;
- (iii) a mortgage of lease for each surface mineral lease located on the lands owned by the Crown;

- (iv) a conditional surrender of lease for each surface mineral lease on the lands owned by the Crown;
- (v) a charge as against the aggregate royalty agreements for each aggregate pit located on the privately-owned lands;
- (vi) commercially reasonable efforts to obtain a tripartite agreement among the New Borrower, the Lender and each private owner of the lands with respect to the aggregate royalty agreements;
- (vii) commercially reasonable efforts to obtain landlord waivers and intercreditor agreement as may be required by the Lender, if required;
- (viii) a postponement and assignment of creditor's claims and postponement of security executed by each shareholder of the New Borrower, if required;
- (ix) an assignment of insurance;
- (x) pledges of all Equity Interests of the Loan Parties that are owned by the Loan Parties or the Parent Group, from time to time, securing a guarantee by the grantor of any such pledge under which recourse is limited to such Equity Interests, in each case if required;
- (xi) a collateral agency agreement among the Lender, a collateral agent and the New Borrower, if required; and
- (xii) such other security as may be reasonably required by the Lender.

Conditions Precedent:

All Conditions Precedent must be satisfied at or before the time of the advance under the Loan Agreement and all deliveries must be satisfactory to the Lender in form and substance. Standard conditions precedent for a loan of this nature, including for reference, but not limited to:

- (i) New Borrower successfully obtaining an approval and vesting order from the Court and completing the acquisition of the assets of JMB and 216 resulting in the exit of the business from the current CCAA process on terms and conditions satisfactory to the Lender;
- (ii) Lender shall have received the Loan Agreement, the other Loan Documents, the Security, and all other documentation related thereto duly executed and delivered, provided that with respect to the Security referred to in (iv), (vi) and (viii), it shall not be required as a condition to closing;
- (iii) Lender shall have received a duly executed copy of the Assignment and Assumption Agreement;
- (iv) Lender shall have received a duly executed copy of the APA;
- (v) A favourable opinion of the Lender's counsel including authorization and enforceability as to Security;
- (vi) Such further loan and security documentation as required by the Lender;

- (vii) Representations and warranties must be true and correct in all material respects;
- (viii) Lender shall have received certificates of insurance or other evidence that the covenants and conditions of the Loan Documents concerning insurance coverage are being complied with;
- (ix) There shall be no material adverse change in the New Borrower's business or its financial condition since Loan approval;
- (x) Lender shall have received an undertaking from RLF Canada Holdings Limited ("RCH") committing to make a \$3,500,000 equity contribution to the New Borrower by the first anniversary of the Effective Date, or by such other date or amount as may be agreed to in writing by the New Borrower, RCH and the Lender; and
- (xi) Such other documents, as required by the Lender.

Negative Covenants:

Such similar negative covenants as set out in the draft Loan Agreement circulated on July 21, 2020, provided that the New Borrower (a) will be entitled to obtain purchase-money security financing or capital lease financing from third party lenders or lessors in an aggregate amount to be determined, provided the purchase money security interest(s) or security or leasehold interest created thereby is limited to the acquired or leased assets, (b) will be permitted to enter corporate restructuring transactions with JMB and other affiliates for the purpose of preserving the tax attributes of JMB or its shares, (c) will be permitted to obtain operating or working capital financing from third party lenders in an aggregate amount to be determined, provided that such lender(s) enter into an inter-creditor agreement acceptable to the Lender and any security interest(s) securing such financing be subsequent in priority to the Lender's security interests other than with respect to inventory and accounts receivable, (d) will be permitted to incur indebtedness and security in an aggregate amount to be determined that is subordinate to the Lender, and (e) will be permitted to accumulate capitalized dividends.

Positive Covenants:

Such similar positive covenants as set out in the draft Loan Agreement circulated on July 21, 2020, including, but not limited to:

- (i) store and maintain in current condition the Fiera Equipment at the New Borrower's premises located in the Town of Bonnyville, in the Province of Alberta, or if currently stored in Washington State, at an acceptable location in Washington State; and
- (ii) the New Borrower shall employ reasonable commercial efforts to sell the Fiera Equipment in a commercially

reasonable manner that is acceptable to the Lender, acting reasonably.

- Insurance:** The New Borrower shall maintain:
- (i) All risks fire and extended coverage insurance on all assets to the full insurable value from time to time outstanding, with first loss payable to the Lender and a standard mortgage clause on an Insurance Bureau of Canada form. Insurance shall not be cancellable except on 30 days prior written notice to the Lender;
 - (ii) Public liability, bodily injury and property damage insurance of the type and in such amount as is acceptable to the Lender; and
 - (iii) Maintain casualty and property insurance in respect of the Fiera Equipment from JMB in amounts not less than the appraised equipment value.
- Financial Covenants:** Such similar financial covenants as set out in the draft Loan Agreement circulated on July 21, 2020.
- Reporting Requirements:** Such similar reporting requirements as set out in the draft Loan Agreement circulated on July 21, 2020.
- Events of Default:** Standard for a loan of this nature, provided that the amount realizable in respect of Facility C shall be limited to the net proceeds of sale of remaining Fiera Equipment.
- Transaction Expenses:** Legal fees and disbursements, appraisal fees, any out of pocket due-diligence expenses including costs incurred in the preparation, execution, delivery, registration and discharge of the Loan documents, including, without limitation, work fees charged by the Lender, or in the collection of any amount owing under the Loan shall be for the New Borrower's account.
- Governing Law:** The Province of Alberta
- Assignment:** In the event that the New Borrower sells all or substantially all of its assets, or its parent sells its shares in the capital of the New Borrower, provided that the purchaser provides satisfactory evidence to the Lender (in its sole discretion) that it is financially and operationally able to perform or cause the performance of the terms reflected hereby, the Lender shall consent to such sale.

[Signature page follows]

**FIERA PRIVATE DEBT FUND V LP,
BY ITS GENERAL PARTNER FIERA PRIVATE DEBT FUND INC.**

Per: 

Authorized Signature

Per: _____
Authorized Signature

**FIERA PRIVATE DEBT FUND VI LP,
BY ITS GENERAL PARTNER FIERA PRIVATE DEBT FUND INC.**

Per: 

Authorized Signature

Per: _____
Authorized Signature

Agreed and accepted this 21 day of July, 2020.

By: 1257568 B.C. LTD.

Per: _____
Authorized Signature

Per: _____
Authorized Signature

**FIERA PRIVATE DEBT FUND V LP,
BY ITS GENERAL PARTNER FIERA PRIVATE DEBT FUND INC.**

Per: _____
Authorized Signature

Per: _____
Authorized Signature

**FIERA PRIVATE DEBT FUND VI LP,
BY ITS GENERAL PARTNER FIERA PRIVATE DEBT FUND INC.**

Per: _____
Authorized Signature

Per: _____
Authorized Signature

Agreed and accepted this 21 day of July, 2020.

By: 1257568 B.C. LTD.

DocuSigned by:
Byron J Levtulich

Per: _____
Authorized Signature

Per: _____
Authorized Signature

**SCHEDULE E
AMORTIZATION AND PAYMENT SCHEDULE OF THE LOAN**

[See attached]

Mantle Materials Group Ltd. Tranche A

V \$ 12,351,146.60 87.41%
 VI \$ 1,778,983.37 12.59%
\$ 14,130,129.97

\$3,550,000.00 **Valuation Date:** 26-Apr-21

Interest Rate: 7.000% **# of Payments:** 80

Blended payment \$60,523.97 **Amortization:** 72

Fund V

Fund VI

Pymt. #	Date	Total Payment	Interest Portion	Principal Portion	Principal Outstanding	Fund V			Fund VI		
						Total Payment	Interest	Principal	Total Payment	Interest	Principal
0	26-Apr-21	0.00	0.00	0.00	3,550,000.00	-	-	-	-	-	-
1	15-Jul-21	54,030.71	54,030.71	0.00	3,550,000.00	47,228.24	47,228.24	-	6,802.47	6,802.47	-
2	15-Oct-21	62,635.62	62,635.62	0.00	3,550,000.00	54,749.79	54,749.79	-	7,885.82	7,885.82	-
3	15-Jan-22	62,635.62	62,635.62	0.00	3,550,000.00	54,749.79	54,749.79	-	7,885.82	7,885.82	-
4	15-Apr-22	61,273.97	61,273.97	0.00	3,550,000.00	53,559.58	53,559.58	-	7,714.39	7,714.39	-
5	15-Jul-22	61,954.79	61,954.79	0.00	3,550,000.00	54,154.69	54,154.69	-	7,800.11	7,800.11	-
6	15-Oct-22	62,635.62	62,635.62	0.00	3,550,000.00	54,749.79	54,749.79	-	7,885.82	7,885.82	-
7	15-Jan-23	62,635.62	62,635.62	0.00	3,550,000.00	54,749.79	54,749.79	-	7,885.82	7,885.82	-
8	15-Apr-23	61,273.97	61,273.97	0.00	3,550,000.00	53,559.58	53,559.58	-	7,714.39	7,714.39	-
9	15-May-23	60,523.97	20,424.66	40,099.32	3,509,900.68	52,904.00	17,853.19	35,050.81	7,619.97	2,571.46	5,048.50
10	15-Jun-23	60,523.97	20,867.08	39,656.89	3,470,243.79	52,904.00	18,239.92	34,664.09	7,619.97	2,627.17	4,992.80
11	15-Jul-23	60,523.97	19,965.79	40,558.19	3,429,685.61	52,904.00	17,452.09	35,451.91	7,619.97	2,513.69	5,106.28
12	15-Aug-23	60,523.97	20,390.19	40,133.79	3,389,551.82	52,904.00	17,823.06	35,080.94	7,619.97	2,567.12	5,052.84
13	15-Sep-23	60,523.97	20,151.58	40,372.39	3,349,179.43	52,904.00	17,614.50	35,289.51	7,619.97	2,537.08	5,082.88
14	15-Oct-23	60,523.97	19,269.25	41,254.72	3,307,924.71	52,904.00	16,843.25	36,060.75	7,619.97	2,426.00	5,193.97
15	15-Nov-23	60,523.97	19,666.29	40,857.68	3,267,067.02	52,904.00	17,190.31	35,713.70	7,619.97	2,475.99	5,143.98
16	15-Dec-23	60,523.97	18,796.82	41,727.15	3,225,339.88	52,904.00	16,430.30	36,473.70	7,619.97	2,366.52	5,253.45
17	15-Jan-24	60,523.97	19,175.31	41,348.66	3,183,991.21	52,904.00	16,761.14	36,142.87	7,619.97	2,414.17	5,205.80
18	15-Feb-24	60,523.97	18,877.76	41,646.21	3,142,345.00	52,904.00	16,501.05	36,402.95	7,619.97	2,376.71	5,243.26
19	15-Mar-24	60,523.97	17,428.85	43,095.12	3,099,249.88	52,904.00	15,234.56	37,669.44	7,619.97	2,194.29	5,425.68
20	15-Apr-24	60,523.97	18,375.33	42,148.64	3,057,101.24	52,904.00	16,061.88	36,842.13	7,619.97	2,313.45	5,306.51
21	15-May-24	60,523.97	17,540.74	42,983.23	3,014,118.01	52,904.00	15,332.37	37,571.64	7,619.97	2,208.38	5,411.59
22	15-Jun-24	60,523.97	17,870.59	42,653.38	2,971,464.63	52,904.00	15,620.68	37,283.32	7,619.97	2,249.91	5,370.06

Mantle Materials Group Ltd. Tranche A

V \$ 12,351,146.60 87.41%
 VI \$ 1,778,983.37 12.59%
 \$ 14,130,129.97

\$3,550,000.00 **Valuation Date:** 26-Apr-21

Interest Rate: 7.000% **# of Payments:** 80

Blended payment \$60,523.97 **Amortization:** 72

Fund V

Fund VI

Pymt. #	Date	Total Payment	Interest Portion	Principal Portion	Principal Outstanding	Fund V			Fund VI		
						Total Payment	Interest	Principal	Total Payment	Interest	Principal
23	15-Jul-24	60,523.97	17,049.39	43,474.59	2,927,990.05	52,904.00	14,902.87	38,001.14	7,619.97	2,146.52	5,473.45
24	15-Aug-24	60,523.97	17,359.94	43,164.03	2,884,826.01	52,904.00	15,174.32	37,729.68	7,619.97	2,185.62	5,434.35
25	15-Sep-24	60,523.97	17,104.02	43,419.95	2,841,406.06	52,904.00	14,950.63	37,953.38	7,619.97	2,153.40	5,466.57
26	15-Oct-24	60,523.97	16,303.15	44,220.82	2,797,185.24	52,904.00	14,250.58	38,653.42	7,619.97	2,052.57	5,567.40
27	15-Nov-24	60,523.97	16,584.40	43,939.57	2,753,245.67	52,904.00	14,496.43	38,407.58	7,619.97	2,087.98	5,531.99
28	15-Dec-24	60,523.97	15,797.31	44,726.66	2,708,519.01	52,904.00	13,808.43	39,095.58	7,619.97	1,988.88	5,631.09
29	15-Jan-25	60,523.97	16,058.71	44,465.27	2,664,053.74	52,904.00	14,036.91	38,867.09	7,619.97	2,021.79	5,598.18
30	15-Feb-25	60,523.97	15,838.35	44,685.63	2,619,368.12	52,904.00	13,844.30	39,059.71	7,619.97	1,994.05	5,625.92
31	15-Mar-25	60,523.97	14,065.65	46,458.33	2,572,909.79	52,904.00	12,294.78	40,609.22	7,619.97	1,770.87	5,849.10
32	15-Apr-25	60,523.97	15,296.48	45,227.50	2,527,682.30	52,904.00	13,370.65	39,533.35	7,619.97	1,925.83	5,694.14
33	15-May-25	60,523.97	14,542.83	45,981.14	2,481,701.15	52,904.00	12,711.89	40,192.12	7,619.97	1,830.94	5,789.03
34	15-Jun-25	60,523.97	14,754.22	45,769.75	2,435,931.40	52,904.00	12,896.67	40,007.34	7,619.97	1,857.56	5,762.41
35	15-Jul-25	60,523.97	14,014.95	46,509.03	2,389,422.38	52,904.00	12,250.47	40,653.54	7,619.97	1,764.48	5,855.49
36	15-Aug-25	60,523.97	14,205.61	46,318.37	2,343,104.01	52,904.00	12,417.12	40,486.88	7,619.97	1,788.49	5,831.48
37	15-Sep-25	60,523.97	13,930.23	46,593.74	2,296,510.27	52,904.00	12,176.42	40,727.59	7,619.97	1,753.82	5,866.15
38	15-Oct-25	60,523.97	13,212.80	47,311.17	2,249,199.10	52,904.00	11,549.31	41,354.70	7,619.97	1,663.49	5,956.48
39	15-Nov-25	60,523.97	13,371.95	47,152.02	2,202,047.08	52,904.00	11,688.42	41,215.58	7,619.97	1,683.53	5,936.44
40	15-Dec-25	60,523.97	12,669.31	47,854.66	2,154,192.42	52,904.00	11,074.25	41,829.76	7,619.97	1,595.07	6,024.90
41	15-Jan-26	60,523.97	12,807.12	47,716.86	2,106,475.56	52,904.00	11,194.70	41,709.30	7,619.97	1,612.42	6,007.55
42	15-Feb-26	60,523.97	12,523.43	48,000.54	2,058,475.02	52,904.00	10,946.73	41,957.27	7,619.97	1,576.70	6,043.27
43	15-Mar-26	60,523.97	11,053.73	49,470.24	2,009,004.77	52,904.00	9,662.06	43,241.94	7,619.97	1,391.66	6,228.30
44	15-Apr-26	60,523.97	11,943.95	48,580.03	1,960,424.75	52,904.00	10,440.20	42,463.80	7,619.97	1,503.74	6,116.23
45	15-May-26	60,523.97	11,279.16	49,244.82	1,911,179.93	52,904.00	9,859.11	43,044.89	7,619.97	1,420.05	6,199.92

Mantle Materials Group Ltd. Tranche A

V \$ 12,351,146.60 87.41%
 VI \$ 1,778,983.37 12.59%
 \$ 14,130,129.97

\$3,550,000.00 **Valuation Date:** 26-Apr-21

Interest Rate: 7.000% **# of Payments:** 80

Blended payment \$60,523.97 **Amortization:** 72

Fund V

Fund VI

Pymt. #	Date	Total Payment	Interest Portion	Principal Portion	Principal Outstanding	Fund V			Fund VI		
						Total Payment	Interest	Principal	Total Payment	Interest	Principal
46	15-Jun-26	60,523.97	11,362.36	49,161.62	1,862,018.31	52,904.00	9,931.84	42,972.17	7,619.97	1,430.52	6,189.45
47	15-Jul-26	60,523.97	10,712.98	49,810.99	1,812,207.32	52,904.00	9,364.22	43,539.79	7,619.97	1,348.76	6,271.20
48	15-Aug-26	60,523.97	10,773.94	49,750.03	1,762,457.29	52,904.00	9,417.51	43,486.50	7,619.97	1,356.44	6,263.53
49	15-Sep-26	60,523.97	10,478.17	50,045.80	1,712,411.49	52,904.00	9,158.97	43,745.04	7,619.97	1,319.20	6,300.77
50	15-Oct-26	60,523.97	9,852.23	50,671.74	1,661,739.75	52,904.00	8,611.83	44,292.17	7,619.97	1,240.40	6,379.57
51	15-Nov-26	60,523.97	9,879.38	50,644.59	1,611,095.16	52,904.00	8,635.57	44,268.43	7,619.97	1,243.81	6,376.15
52	15-Dec-26	60,523.97	9,269.31	51,254.66	1,559,840.50	52,904.00	8,102.31	44,801.70	7,619.97	1,167.01	6,452.96
53	15-Jan-27	60,523.97	9,273.57	51,250.40	1,508,590.10	52,904.00	8,106.03	44,797.98	7,619.97	1,167.54	6,452.43
54	15-Feb-27	60,523.97	8,968.88	51,555.09	1,457,035.01	52,904.00	7,839.70	45,064.31	7,619.97	1,129.18	6,490.79
55	15-Mar-27	60,523.97	7,824.08	52,699.89	1,404,335.11	52,904.00	6,839.03	46,064.98	7,619.97	985.05	6,634.92
56	15-Apr-27	60,523.97	8,349.06	52,174.91	1,352,160.20	52,904.00	7,297.91	45,606.09	7,619.97	1,051.15	6,568.82
57	15-May-27	60,523.97	7,779.55	52,744.42	1,299,415.78	52,904.00	6,800.11	46,103.90	7,619.97	979.45	6,640.52
58	15-Jun-27	60,523.97	7,725.29	52,798.68	1,246,617.10	52,904.00	6,752.68	46,151.33	7,619.97	972.61	6,647.35
59	15-Jul-27	60,523.97	7,172.32	53,351.66	1,193,265.44	52,904.00	6,269.32	46,634.68	7,619.97	902.99	6,716.97
60	15-Aug-27	60,523.97	7,094.21	53,429.76	1,139,835.68	52,904.00	6,201.05	46,702.96	7,619.97	893.16	6,726.81
61	15-Sep-27	60,523.97	6,776.56	53,747.42	1,086,088.26	52,904.00	5,923.39	46,980.62	7,619.97	853.17	6,766.80
62	15-Oct-27	60,523.97	6,248.73	54,275.25	1,031,813.02	52,904.00	5,462.01	47,441.99	7,619.97	786.71	6,833.25
63	15-Nov-27	60,523.97	6,134.34	54,389.63	977,423.39	52,904.00	5,362.03	47,541.98	7,619.97	772.31	6,847.65
64	15-Dec-27	60,523.97	5,623.53	54,900.44	922,522.94	52,904.00	4,915.53	47,988.48	7,619.97	708.00	6,911.97
65	15-Jan-28	60,523.97	5,484.59	55,039.38	867,483.56	52,904.00	4,794.08	48,109.93	7,619.97	690.51	6,929.46
66	15-Feb-28	60,523.97	5,143.28	55,380.70	812,102.86	52,904.00	4,495.74	48,408.27	7,619.97	647.54	6,972.43
67	15-Mar-28	60,523.97	4,504.29	56,019.69	756,083.18	52,904.00	3,937.20	48,966.81	7,619.97	567.09	7,052.88
68	15-Apr-28	60,523.97	4,482.79	56,041.18	700,041.99	52,904.00	3,918.41	48,985.60	7,619.97	564.38	7,055.59

Mantle Materials Group Ltd. Tranche A

V	\$ 12,351,146.60	87.41%
VI	\$ <u>1,778,983.37</u>	12.59%
	\$ 14,130,129.97	

\$3,550,000.00	Valuation Date: 26-Apr-21
Interest Rate: 7.000%	# of Payments: 80
Blended payment \$60,523.97	Amortization: 72

						Fund V			Fund VI		
Pymt.	Total	Interest	Principal	Principal							
#	Date	Payment	Portion	Portion	Outstanding	Total Payment	Interest	Principal	Total Payment	Interest	Principal
69	15-May-28	60,523.97	4,016.63	56,507.34	643,534.65	52,904.00	3,510.94	49,393.06	7,619.97	505.69	7,114.27
70	15-Jun-28	60,523.97	3,815.49	56,708.48	586,826.17	52,904.00	3,335.12	49,568.88	7,619.97	480.37	7,139.60
71	15-Jul-28	60,523.97	3,367.04	57,156.94	529,669.24	52,904.00	2,943.13	49,960.88	7,619.97	423.91	7,196.06
72	15-Aug-28	60,523.97	3,140.39	57,383.58	472,285.65	52,904.00	2,745.01	50,158.99	7,619.97	395.37	7,224.59
73	15-Sep-28	60,523.97	2,800.16	57,723.81	414,561.84	52,904.00	2,447.62	50,456.38	7,619.97	352.54	7,267.43
74	15-Oct-28	60,523.97	2,378.63	58,145.34	356,416.50	52,904.00	2,079.16	50,824.84	7,619.97	299.47	7,320.50
75	15-Nov-28	60,523.97	2,113.18	58,410.79	298,005.71	52,904.00	1,847.13	51,056.87	7,619.97	266.05	7,353.92
76	15-Dec-28	60,523.97	1,709.87	58,814.10	239,191.61	52,904.00	1,494.60	51,409.41	7,619.97	215.27	7,404.70
77	15-Jan-29	60,523.97	1,418.16	59,105.82	180,085.79	52,904.00	1,239.61	51,664.39	7,619.97	178.55	7,441.42
78	15-Feb-29	60,523.97	1,070.65	59,453.33	120,632.46	52,904.00	935.85	51,968.15	7,619.97	134.79	7,485.17
79	15-Mar-29	60,523.97	647.78	59,876.19	60,756.27	52,904.00	566.22	52,337.78	7,619.97	81.56	7,538.41
80	26-Apr-29	61,245.65	489.38	60,756.27	0.00	53,534.82	427.77	53,107.06	7,710.83	61.61	7,649.21
								3,103,055.00			446,945.00

Mantle Tranche D

V	\$ 12,351,146.60	87.41%
VI	\$ 1,778,983.37	12.59%
	\$ 14,130,129.97	

Principal Amount:	\$150,000.00	Valuation Date:	26-Apr-21
Interest Rate:	7.000%	# of Payments:	6
Blended payment	N/A	Amortization:	N/A

Fund V	Fund VI
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Pymt. #	Date	Total	Interest	Principal	Principal	Total Payment	Interest	Principal	Total Payment	Interest	Principal
		Payment	Portion	Portion	Outstanding						
0	26-Apr-21	0.00	0.00	0.00	150,000.00	-	-	-	-	-	-
1	15-May-21	528.03	528.03	0.00	150,000.00	461.55	461.55	-	66.48	66.48	-
2	15-Jun-21	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
3	15-Jul-21	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
4	15-Aug-21	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
5	15-Sep-21	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
6	15-Oct-21	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
7	15-Nov-21	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
8	15-Dec-21	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
9	15-Jan-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
10	15-Feb-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
11	15-Mar-22	805.48	805.48	0.00	150,000.00	704.07	704.07	-	101.41	101.41	-
12	15-Apr-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
13	15-May-22	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
14	15-Jun-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
15	15-Jul-22	863.01	863.01	0.00	150,000.00	754.36	754.36	-	108.65	108.65	-
16	15-Aug-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
17	15-Sep-22	891.78	891.78	0.00	150,000.00	779.51	779.51	-	112.28	112.28	-
18	26-Oct-22	151,179.45	1,179.45	150,000.00	0.00	132,145.96	1,030.96	131,115.00	19,033.49	148.49	18,885.00

**SCHEDULE F
MATERIAL AGREEMENTS**

1. 216 Dispositions

- (a) Surface Material Lease No. 080085 in favour of 216 dated April 26, 2012 in respect of Aggregate Pit JLG 3 located within NW-12-63-19 W4M and SW-13-63-19 W4M.
- (b) Surface Material Lease No. 100085 in favour of 216 dated June 24, 2016 in respect of Aggregate Pit JLG 4 located within NE-12-63-19 W4M and NW-12-63-19 W4M.
- (c) Surface Material Lease No. 110025 in favour of 216 dated February 11, 2014 in respect of Aggregate Pit JLG 5 located within NE-11-61-18 W4M.
- (d) Surface Material Lease No. 110026 in favour of 216 dated April 11, 2012 in respect of Aggregate Pit JLG 6 located within SE-11-61-18 W4M.
- (e) Surface Material Lease No. 110045 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 7 located within SE-15-61-18 W4M and NE-15-61-18 W4M.
- (f) Surface Material Lease No. 110046 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 8 located within NE-15-61-18 W4M and NW-15-61-18 W4M.
- (g) Surface Material Lease No. 120006 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 11 located within NW-14-61-18 W4M.
- (h) Surface Material Lease No. 120100 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 12 located within SE-21-61-18 W4M.
- (i) Surface Material Lease No. 110047 in favour of 216 located within SE-15-61-18 W4M, SW-15-61-18 W4M, and NW-15-61-18 W4M.
- (j) Surface Material Lease No. 120005 in favour of 216 located within SW-14-61-18 W4M and NW-14-61-18 W4M.
- (k) Surface Material Lease No. 060060 in favour of 216 located within SW-13-65-18-W4M.
- (l) Department Licence of Occupation 170011 in favour of 216 located within SE-13-65-18-W4M and SW-13-65-18-W4M.

2. JMB Dispositions

- (a) Surface Material Lease No. 120027 in favour of JMB located within SW-30-63-08-W4M.
- (b) Surface Material Lease No. 930040 in favour of JMB located within SE-23-61-07-W4M.

- (c) Surface Material Lease 980116 in favour of JMB located within SW-21-63-12-W4M.
- (d) Department Miscellaneous Lease 120032 in favour of JMB located within NW-20-74-8-W4M.
- (e) Surface Materials Exploration 150106 in favour of JMB located within SW-26-75-11-W4M, SE-34-75-11-W4M, NW-23-75-11-W4M, NE-27-75-11-W4M, SW-35-75-11-W4M, and NW-26-75-11-W4M.
- (f) Surface Materials Exploration 200009 in favour of JMB located within NE-30-81-6-W4M, NE-31-81-6-W4M, SE-31-81-6-W4M, and SW-31-81-6-W4M.

3. **Royalty Agreements**

- (a) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge Canada Inc. ("**Lafarge**") in respect of the Aggregate Pit referred to as Moose River for which Lafarge has a surface material lease identified as SML 100043 located at SW-35-61-7-W4M and having 18.46 acres.
- (b) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge in respect of the Aggregate Pit referred to as Oberg for which Lafarge had registration number 15215-01-01 located on lands described as SE-5-62-7-W4 and having 159.88 acres.
- (c) Royalty Agreement made as of October 29, 2018 between JMB and Jerry Shankowski (945441 Alberta Ltd.) in respect of an Aggregate Pit located at SW 21-56-7-W4, which Aggregate Pit is registered under the EPEA as registration no. 308161-00-00.
- (d) Royalty Agreement made as of November 8, 2018 between Helen Havener, Gail Havener and JMB in respect of the Aggregate Pit located at NW 16-56-7-W4M, which Aggregate Pit is registered under the EPEA as registration no. 17395-01-00.
- (e) Royalty Agreement made as of February 26, 2020 between Darren Andrychuk & Daphne Andrychuk and JMB in respect of the Aggregate Pit located at SW 15-57-14-W4.

4. **Other Contracts**

- (a) Lease dated September 1, 2011 between 489786 Alberta Ltd., as landlord, and JMB, as tenant, as amended September 3, 2015, December 12, 2016, February 26, 2018 and March 1, 2020, in respect of the lands and premises located at NW-20-61-5-4 in Bonnyville, Alberta.
- (b) Supply agreement entered into November 1, 2013 between the Municipal District of Bonnyville No. 87 and JMB, as amended by the first amendment dated September 30, 2015, the second amendment dated December 12, 2016, the third amendment dated February 26, 2018, and the amendment to agreement dated February 28, 2020.

- (c) Cenovus Energy master service and supply agreement 700322 effective as of March 13, 2020 between Cenovus Energy Inc. and JMB.
- (d) Commitment Letter dated January 8, 2018 between Canadian Western Bank and 216, as amended, together with all cash collateral security delivered in connection therewith and the rights of the Vendors in respect of the letters of credit issued by Canadian Western Bank thereunder, including:
 - i. the letter of credit in the amount of \$19,540 issued in connection with the 216 Disposition identified as SML 080085;
 - ii. the letter of credit in the amount of \$42,010 issued in connection with the 216 Disposition identified as SML 100085;
 - iii. the letter of credit in the amount of \$79,690 issued in connection with the 216 Disposition identified as SML 110025;
 - iv. the letter of credit in the amount of \$77,540 issued in connection with the 216 Disposition identified as SML 110026;
 - v. the letter of credit in the amount of \$57,030 issued in connection with the 216 Disposition identified as SML 110045;
 - vi. the letter of credit in the amount of \$44,380 issued in connection with the 216 Disposition identified as SML 110046;
 - vii. the letter of credit in the amount of \$25,690 issued in connection with the 216 Disposition identified as SML 120006;
 - viii. the letter of credit in the amount of \$29,650 issued in connection with the 216 Disposition identified as SML 120100;
 - ix. the letter of credit in the amount of \$46,110 issued in connection with the 216 Disposition identified as SML 110047;
 - x. the letter of credit in the amount of \$78,110 issued in connection with the 216 Disposition identified as SML 120005; and
 - xi. the letter of credit in the amount of \$41,440 issued in connection with the 216 Disposition identified as SML 060060;
- (c) Contracts granting a licence or other right to use the Axon software, the ISNetwork software and the software provided by ComplyWorks Ltd..
- (d) Non-competition agreement dated March 22, 2019 between 541466 Alberta Ltd., Lisa Ball, Gordon Ball, and JMB.
- (e) Master Equity Vehicle Lease Agreement dated August 23, 2019 between Enterprise Fleet Management Canada, Inc. and JMB, together with Open-End (Equity) Lease Schedule in respect of 2019 Ford, Model F-150, Series XLT 4x4 SuperCrew Cab Styleside 6.5, 1FTFW1E52KFC66669.

**SCHEDULE G
LANDS**

Pit/Agreement Name	Primary Market Served	SML #	Ownership / Lease Type	Expiration Date
216 SML Gravel Pits				
JLG 7	Smoky Lake	110045	SML	17/03/2025
JLG 6	Smoky Lake	110026	SML	10/04/2022
JLG 8	Smoky Lake	110046	SML	17/03/2025
JLG 5	Smoky Lake	110025	SML	10/02/2024
JLG 12	Smoky Lake	120100	SML	04/10/2027
JLG 4	Thorhild	100085	SML	23/06/2026
JLG 3	Thorhild	080085	SML	25/04/2022
JLG 11	Smoky Lake	120006	SML	04/10/2027
JLG 9	Smoky Lake	110047	SML	17/3/2025
JLG10	Smoky Lake	120005	SML	4/10/2027
	Smoky Lake	060060	SML	27/5/2024
JMB SML Gravel Pits				
		120027	SML	
		930040	SML	
		980116	SML	
Royalty Gravel Pits				
Shankowski Royalty Agreement	Bonnyville / Cold Lake	Private	Royalty Agreement	19/10/2028
Oberg	Bonnyville / Cold Lake	15215-01-01	Royalty Agreement	01/07/2024
Moose River	Bonnyville / Cold Lake	100043	Royalty Agreement	01/07/2024 06/01/2023
Andrychuk Royalty Agreement	Bonnyville / Cold Lake	Private	Royalty Agreement	26/02/2030
Havener Royalty Agreement	NW 16-56-7-W4	Elk Point	Royalty Agreement	Freehold
Owned Gravel Pit and Other				
JMB	Bonnyville / Cold Lake	Private	JMB-Owned	Freehold
Gagne	Bonnyville / Cold Lake	Private	JMB-Owned	Freehold
Bonnyville Premises lease	Bonnyville / Cold Lake			Leased premises

**SCHEDULE H
OWNERSHIP STRUCTURE**

Name	Jurisdiction of Incorporation/ Formation	Holder of Equity Interest	Province of Chief Executive Office	Relevant Jurisdictions of Collateral
Mantle Materials Group, Ltd.	British Columbia	RLF Canada Holdings Limited	Alberta	Alberta
JMB Crushing Systems Inc.	British Columbia	RLF Canada Holdings Limited	Alberta	Alberta
2161889 Alberta Ltd.	Alberta	JMB Crushing Systems Inc.	Alberta	Alberta

SCHEDULE I FIERA EQUIPMENT

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
2001	Travco		5-Unit Wellsite Camp each unit 12' x 56'	1256110534, 1256110533, 1256110532, 1256110531, 1256110530
2007	Bold Developments		12' x 56' Wellsite	T06-012
2007	Arctic		10' x 30' Tri-Axle Wellsite Trailer	2GRTV30T975073015
2007	Arctic		10' x 30' Tri-Axle Wellsite Trailer	2GRTN30T075070316
2007	Britco		12' x 62' 6-Sleeper Wellsite	07066-3
2007	Britco		12' x 62' 6-Sleeper Wellsite	07066-8
2007	Britco		12' x 62' 6-Sleeper Wellsite	07066-9
2015	Stratis		2,500 Gallon Water Storage Tank	SOSWS035
2014	Komatsu	HM400-3	44 ton Off-Highway Articulated Dump Truck	3384
2014	Komatsu	HM400-3	44 ton Off-Highway Articulated Dump Truck	3578
2014	Komatsu	HM400-3	44 ton Off-Highway Articulated Dump Truck	3420
2006	Volvo	L180E	Articulated Wheel Loader	L180EV8273
2008	Caterpillar	988H	Articulated Wheel Loader	CAT0988HCBXY02382
2006	Volvo	L180E	Articulated Wheel Loader	L180EV8379
1999	Komatsu	WA450-3	Articulated Wheel Loader	53372
2012	Caterpillar	988H	Articulated Wheel Loader	CAT0988HABXY05172
2012	Caterpillar	246C	Skid Steer Loader	CAT0246CJJAY07005
2012	Caterpillar	246C	Skid Steer Loader	CAT0246CVJAY08691
2013	Volvo	L220G	Articulated Wheel Loader	VCEL220GC00012444
2013	Volvo	L220G	Articulated Wheel Loader	VCEL220GA00012852
2009	Volvo	L220F	Articulated Wheel Loader	VCEL220FP00006937
2004	Caterpillar	D6N LGP	Crawler Dozer	ALY01814
2005	Daewoo	Solar 470LC-V	Crawler Excavator	1357
1996	Hitachi	EX55UR	Mini Crawler Excavator	1BG-02075
2012	Caterpillar	345D	Crawler Excavator	CAT0345DJEEH01226
2009	Caterpillar	160M	Motor Grader	CAT0160MAB9E00358
2001	Toyota	7FGU30	6,000 lb LP Gas Lift Truck	61607
2001	Caterpillar	535B	Grapple Skidder	AAE00408
1996	Grizzly	250-5	250 kw Diesel Generator	
2014	Wacker	G100	80 kw Generator	20278208
	Ingersoll-Rand		20 kw Portable Light Tower	
2006	Terex Amida	AL5200D-4MH	20 kw Portable Light Tower	G0F-24939
2014	Wacker	LTW20	20 kw Portable Light Tower	20239723
2014	Wacker	LTW20	20 kw Portable Light Tower	20239727
2014	Wacker	LTW20	20 kw Portable Light Tower	20241937
	Frontier	PT4000K	20 kw Portable Light Tower	PTS2002-33
2006	Ingersoll-Rand		6 kw Portable Light Tower	372495UFQC13
2004	Precision		95 ton Truck Scale	
2015	Precision		100 ton Truck Scale	15-589
1980	Midland		48' Tandem Axle Van Trailer	2ATD10186AM110007
1979	Fruehauf	FP9F1271	28' Single Axle Van Trailer	DXV180718
1999	Manac	Super B	Tri-Axle Tool Van Trailer	2M5931033X1062925
2004	Detroit Diesel	Series 60	Diesel Generator	6R753345
1998	Stamford		60 kw Portable Diesel Generator	E980749726
2004	Elrus	25YD3 SB	25-Cubic Yard Portable Surge Bin	M3461ER04SB
2008	Kolberg- Pioneer	L3-36125	36" x 125' Portable Telescopic Radial Stacking Belt Conveyor	407136

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
2006	Powerscreen		36" x 80' Portable Folding Stacking Belt Conveyor	6002232
2008	Kolberg-Pioneer		36" x 70' Portable Belt Conveyor	408560
2004	Elrus		36" x 60' Portable Belt Conveyor	M3445ER04PC
2004	Elrus	36X60FT-PC	36" x 60' Portable Belt Conveyor	M3446ER04PC
	Thor	T150-8	150' Portable Telescopic Radial Stacking Belt Conveyor	1846
	Tyalta		42" x 60' Portable Belt Conveyor	144260350
2010	CEC		30" x 60' Portable Belt Conveyor	30600606-J
			36" x 40' Portable Belt Conveyor	36400706-J
2004	Elrus	6X20-3D SC	6' x 20' Portable Screen Plant	M3499ER04SP
2008	Clemro Industries, Ltd.		Portable Jaw Crusher	1498-4127
2011	Clemro Industries, Ltd.		Portable Low Profile Belt Feeder	1679-4599
			15,000 liter Fuel Tank	
	Westeel		15,000 Gallon Fuel Tank	641500334
	Westeel		1,000 Gallon Double-Walled Steel Fuel Tank	671301089
	Westeel		1,000 Gallon Double-Walled Steel Fuel Tank	671502620
		TH5G00	2,200 liter Double-Walled Steel Fuel Tank	
		TH5G00	2,200 liter Double-Walled Steel Fuel Tank	
2008	Dodge	Ram 2500HD	Mega Cab Flatbed Truck	3D7KS29D78G155808
2008	Ford	F350 Super Duty XL	Crew Cab Flatbed Truck	1FTWW31568ED84921
2008	Ford	F350 Super Duty XLT	Crew Cab Flatbed Truck	1FTWW31598EE44965
2012	Ford	F250 Super Duty XLT	Crew Cab Pickup Truck	1FT7W2B69CEB71377
2012	Ford	F250 Super Duty XLT	Crew Cab Pickup Truck	1FT7W2B61CEB76184
2012	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF2CFA97764
2012	Ford	F350 Super Duty	Crew Cab Pickup Truck	1FT8W3B60CEA94375
2012	Ford	F350 Super Duty	Crew Cab Pickup Truck	1FT8W3B60CEB56034
2008	Peterbilt	367	Tri-Drive Conventional Tractor	1NPTX4EX48D737575
2009	Peterbilt	367	Tandem Axle Dump Truck	1NPTL40X19D778993
2009	Kenworth	T800	Tri-Drive Dump Truck	1XKDP40X49R941482
2009	Peterbilt	367	Tri-Drive Conventional Tractor	1XPTP40X79D789572
2013	Peterbilt	337	Single Axle Mechanics Truck	2NP2HN8X1DM205263
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X6FD284564
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X8FD284565
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0XXFD284566
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X1FD284567
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X3FD284568
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X5FD284569
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X1FD284570
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X3FD284571
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X5FD284572
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X7FD284573
2013	Peterbilt	367	Tri-Drive Winch Tractor	1XPTP4TX9DD184358
1997	Freightliner	FL60	Single Axle Service Truck	1FV6GJBA0VHH80602
2014	Peterbilt	348	Tandem Axle Water Truck	2NP3LJ0X2EM242007
1996	Arrow		Tandem Axle Jeep	259CSCB2XT1073252

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
1994	Arnes		Tandem Axle 16-Wheel Jeep	AR804203
2000	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9D54C37YL017498
2000	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B31YL017499
2006	Arnes		Quad-Axle End Dump Pup Trailer	2A92142466A003242
2006	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9DS4C476L017782
2006	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B326L017783
2006	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9DS4C406L017784
2006	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B366L017785
2006	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9DS4C446L017786
2006	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B3X6L017787
2007	Arnes		Tri-Axle End Dump Trailer	2A90737307A003528
2008	Arnes		Quad-Axle End Dump Pup Trailer	2A92142498A003884
2008	Arnes		Quad-Axle End Dump Pup Trailer	2A92142408A003885
2008	Load Max		20' Tandem Axle Equipment Trailer	5L8PH202681013062
2009	Arnes		Tri-Axle End Dump Trailer	2A90737359A003298
2009	Arnes		Tri-Axle End Dump Trailer	2A90737379A003299
2009	Arnes		Tri-Axle End Dump Trailer	2A907373X9A003300
2009	Arnes		Tri-Axle End Dump Trailer	2A90737319A003301
2009	Arnes		Tri-Axle End Dump Trailer	2A90737339A003302
2009	Arnes		Quad-Axle End Dump Pup Trailer	2A92142499A003238
1999	Argo		8' x 21' Tandem Axle Cargo Trailer	2AABDE821X1000122
2008	Doepker		Tri-Axle End Dump Trailer	2DEGEDZ3381023677
2006	Doepker		Tri-Axle Scissor Neck Lowboy Trailer	2DESNSZ3161018845
2015	Arnes		Tri-Axle End Dump Trailer	2A9074131FA003583
1997	Roadmaster		Tri-Axle Trombone Step Deck Trailer	2T9DF513XV1011230
2013	Lode King	SDS53-3	40 ton Tri-Axle Scissor Neck Lowboy Trailer	2LDSD5331DS055478
1980	Willock		Single Axle Float Trailer	2ATA06238AM107038
1999	Manac		Tandem Axle Lube & Tool Van Trailer	2M5920884X1062932
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31518EE16691
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31598ED98117
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31538EE44962
2012	Dodge	Ram 2500 SLT	Crew Cab Pickup Truck	3C6TD5JT2CG113379
			Engine identified as TT009	
			Engine identified as TT002	
			Equipment identified as PT003	
			Equipment identified as TV100 and TV101	
			Dump box identified as TR006	
			3 Terex portable light towers	
	Maxi		2 portable light towers	
	Isuzu		20 kw generator	
	Volvo		360 kw generator	
2007	Peterbilt	379	379 Tandem Axle Winch Tractor	1NP5L40X77D742313
2007	Clemro Industries, Ltd.	BF100	Portable Belt Feeder	1463-4120
2009	Terex Amida	AL5200D-4MH	20 kw Portable Light Tower	E0F-09186
2006	Terex Amida	AL5200D-4MH	20 kw Portable Light Tower	4ZJSL151161H23687
2006	Allmand	Maxi Lite 15330	15 kw Portable Light Tower	0425MXL06
2006	Allmand	Maxi Lite 15330	15 kw Portable Light Tower	058ML03
1998	Stamford	360 kw	Diesel Generator	106V3257
1997	Great Dane	7911TJW-53	53' Tandem Axle Control Van Trailer	1GRAA0625VB117102

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
1999	Elrus	2434	36" x 125' Portable Telescopic Radial Stacking Belt Conveyor	ER99PC1524
2012	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF0CFA97763
2015	Arnes		Tri-Axle End Dump Trailer	2A9073731FA003598
2015	Arnes		Tri-Axle End Dump Trailer	2A9073730FA003575
2015	Arnes		Tri-Axle End Dump Trailer	2A9073738FA003596
2015	Arnes		Tri-Axle End Dump Trailer	2A907373XFA003597
2013	Arnes		40 ton Tri-Axle Scissor Neck Lowboy Trailer	2A9125335DA003461
2015	Arnes		50 ton Tri-Axle Lowboy Trailer	2A9105630FA003016
2007	Dodge	Ram 3500HD	Quad Cab Pickup Truck	3D7MX48A27G781634
2006	Isuzu	20 kw	Diesel Generator	198196/X06D170482
2007	Dodge	3500HD	Diesel Pickup (not running)	3D7MX48A27G781634
2012	Ford	F150	XL T Pick up Truck	1FTFW1 EF0CFA97763
1997	Great Dane		Power Van plus Tower (Serial Number M3243ER03CT)	1GRAA0625VB117102
2004	Detroit		Series 60 Generator	06R0753345
2008	Kolberg-Pioneer	L3-36125	125' Conveyor	407136
1999	Elrus	2434	125' radial stacking belt conveyor	ER99PC1524 M#2434
			Misc spare crusher parts	
1996	Arrow		Jeep	2L9CSCB2XT1078252
2015	Arnes		End Dump Trailer (Trombone 375)	2A9074131FA003583
2015	Arnes		Tri-Axle End Dump Trailer	2A9073732FA003576
2015	Arnes		Tri-Axle End Dump Trailer	2A9073733FA003599
2013	MTU Onsite Energy	DP550D65-AH1484	550-kW Diesel Generator	366258101013
2015	Arnes		End Dump Trailer	2A9073738FA00359

**SCHEDULE J
ENVIRONMENTAL PROTECTION ORDERS (“EPO”)
AND ENFORCEMENT ORDERS (“EO”)**

Pit	EPO	EO
MacDonald	EPO-EPEA-35659-01	-
Megley	02	-
Kucy	03	-
Havener	04	-
Buksa	05	-
Okane	06	-
SML 060060	07	EO-WA-35659-01
SML 930040	08	-
SML 980116	09	-
SML 120027	10	-
TOTAL	10	1

SECOND AMENDMENT TO LOAN AGREEMENT

THIS SECOND AMENDMENT is dated and made effective as of the 12th day of June, 2023.

AMONG:

MANTLE MATERIALS GROUP, LTD.

as Borrower

- and -

FIERA PRIVATE DEBT FUND VI LP, by its general partner **FIERA PRIVATE DEBT FUND GP INC.** (“Fund V”), and **FIERA PRIVATE DEBT FUND VI LP**, by its general partner **FIERA PRIVATE DEBT FUND GP INC.**, with Fiera V acting as collateral agent for and on behalf of and for the benefit of the Lenders

as Lenders

PREAMBLE

WHEREAS the predecessors of the Borrower, being Mantle Materials Group, Ltd., JMB Crushing Systems Inc., and 2161889 Alberta Ltd., and the Lenders entered into that certain loan agreement dated April 26, 2021, as amended by a first amendment dated October 19, 2022 (as may have been amended, restated, supplemented, revised, replaced, extended or otherwise modified from time to time prior to the date hereof, the “**Existing Loan Agreement**”);

AND WHEREAS the Borrower has requested and the Lenders have agreed to amend certain terms and conditions of the Existing Loan Agreement, as more particularly described in this Second Amendment (this “**Second Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Existing Loan Agreement, as amended by this Second Amendment (as amended, restated, supplemented, revised, replaced, extended or otherwise modified from time to time, the “**Loan Agreement**”).

ARTICLE II – AMENDMENTS TO THE EXISTING LOAN AGREEMENT

2.1 With effect on the Second Amendment Effective Date (hereinafter defined), the Existing Loan Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the conformed Loan Agreement attached hereto as Exhibit A.

ARTICLE III – CONDITIONS TO EFFECTIVENESS

- 3.1 This Second Amendment shall become effective upon the satisfaction of each of the following conditions precedent (such date being referred to herein as the “**Second Amendment Effective Date**”):
- (a) the recitals to this Second Amendment shall be true and correct;
 - (b) the Borrower shall have delivered to the Lenders a duly executed version of this Second Amendment;
 - (c) the Borrower shall have delivered to the Lenders a duly executed version of the first amendment to the subordination agreement dated concurrently herewith among the Borrower, RLF Canada Lender Limited and the Lenders;
 - (d) the Borrower shall have delivered a certificate of an officer of the Borrower dated as of the Second Amendment Effective Date, and certifying (i) copies of the resolutions of the Board of Directors of the Borrower, approving, inter alia, this Second Amendment and the transactions contemplated herein, (ii) the name, title and true signature of each officer of such Person authorized to execute this Second Amendment, (iii) that attached thereto is a true and complete copy of the articles of incorporation and bylaws of the Borrower as amended to date, and (iv) a recent certificate of status or analogous certificate;
 - (e) the Lender shall have received a currently dated opinion, addressed to the Lenders in form and substance satisfactory to the Lenders and the Lenders’ counsel, acting reasonably and in accordance with customary opinion practise, from counsel for the Loan Parties, and such other local counsel to the Loan Parties as the Lenders may reasonably require and opining to such matters as the Lender or its solicitors may require;
 - (f) nothing shall have occurred (nor shall any Lender become aware of any facts not previously known), which the Lenders determine is reasonably likely to result in or have a Material Adverse Change since the date of the latest financial statements provided by the Borrower to the Lenders;
 - (g) the Lenders shall be satisfied that there is no pending judicial, administrative or other proceedings, investigations or litigation which seek to adjourn, delay, enjoin, prohibit or impose material limitations on any aspect of the transactions contemplated by this Second Amendment;
 - (h) the Lenders shall be satisfied that the Borrower has not:
 - (i) made an assignment in bankruptcy, made a proposal to its creditors or filed notice of its intention to do so, instituted any other proceeding under Applicable Law seeking to adjudicate it a bankrupt or an insolvent, or seeking liquidation, dissolution, winding up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors, composition of it or its debts or any other similar relief; or
 - (ii) applied for the appointment of or the taking of possession by, a receiver, interim receiver, receiver/manager, sequestrator, conservator, custodian,

administrator, trustee, liquidator or other similar official for its or a substantial part of its property; or

- (iii) had a petition filed, application made or other proceeding instituted against or in respect of it in any jurisdiction seeking any of the results described in (i) or (ii), above.

ARTICLE IV – FEES

- 4.1 The Borrower acknowledges and agrees to pay a loan amendment fee in the amount of \$49,500 to the Lenders, which is fully earned on the Second Amendment Effective Date and payable in three installments of \$16,500 each on July 15, 2023, August 15, 2023 and September 15, 2023.

ARTICLE V – REPRESENTATIONS AND WARRANTIES

- 5.1 The Borrower represents and warrants to the Lenders that the following statements are true, correct and complete:
 - (a) Authorization, Validity, and Enforceability of this Second Amendment. The Borrower has the power and authority to execute and deliver this Second Amendment and to perform its obligations under this Second Amendment and the Loan Agreement. The Borrower has taken all necessary action (including, without limitation, obtaining approval of its shareholders if necessary) to authorize the execution and delivery of this Second Amendment, and the performance of its obligations under this Second Amendment and the Loan Agreement. This Second Amendment has been duly executed and delivered by the Borrower, and this Second Amendment and the Loan Agreement constitutes legal, valid and binding obligations of the Borrower, enforceable against it in accordance with its respective terms without defence, compensation, setoff or counterclaim. The Borrower's execution and delivery of this Second Amendment, and the performance by the Borrower of its obligations under this Second Amendment and the Loan Agreement do not and will not conflict with, or constitute a violation or breach of, or constitute a default under, or result in the creation or imposition of any lien upon the property of the Borrower by reason of the terms of (a) any contract, mortgage, hypothec, Encumbrance, lease, agreement, indenture, or instrument to which the Borrower is a party or which is binding on the Borrower, (b) any requirement of law applicable to the Borrower, or (c) the certificate or articles of incorporation or amalgamation or bylaws of the Borrower.
 - (b) Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or other person is necessary or required in connection with the execution, delivery or performance by, or enforcement against the Borrower of this Second Amendment or the Loan Agreement except for such as have been obtained or made and filings required in order to perfect and render enforceable the Lenders' security interests and hypothecs.
 - (c) Security. All security delivered to or for the benefit of the Lenders pursuant to the Loan Agreement and the other Loan Documents remains in full force and effect and secures all Obligations of the Borrower under the Loan Agreement and the other Loan Documents to which it is a party.

- (d) No Default. No Default or Event of Default has occurred and is continuing or will result from the entering into of this Second Amendment.
- (e) Representations, Warranties and Covenants in Loan Agreement. Upon this Second Amendment becoming effective, the Borrower will be in full compliance with all of its covenants in the Loan Agreement and each Loan Document.

ARTICLE VI – MISCELLANEOUS

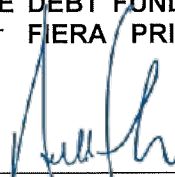
- 6.1 The Borrower has previously executed certain Loan Documents and it (i) reaffirms and agrees that the Existing Loan Agreement (as amended hereby) and the other Loan Documents to which it is a party remain in full force and effect, (ii) acknowledges and reaffirms all obligations owing by it to the Lenders under the Existing Loan Agreement (as amended hereby) and the other Loan Documents, (iii) reaffirms and agrees that nothing in the Loan Documents obligates the Lenders to seek reaffirmation of the Loan Documents in connection with similar matters in the future, and (iv) reaffirms and agrees that no requirement to so notify the Borrower or to seek the Borrower's reaffirmation in connection with similar matters in the future shall be implied by the execution of this Second Amendment.
- 6.2 The amendments in Article II are effective only in this instance and for the specific purpose stated herein. They shall not be, or be deemed to be, a consent to, or waivers of, any preceding or any additional or any subsequent breach or Default or Event of Default of any covenant or provision of the Loan Agreement or any of the other Loan Documents except as expressly provided herein nor shall they operate as waivers of any right, power or remedy of the Lenders under the Loan Agreement and the other Loan Documents.
- 6.3 The Borrower acknowledges and agrees that it is responsible for the payment of all legal fees, disbursements, and taxes thereon reasonably incurred by counsel to the Lenders in respect of this Second Amendment, such payment to be made within 5 Business Days of presentation of applicable invoices.
- 6.4 The Borrower hereby absolutely and unconditionally releases and forever discharges the Lenders, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents and employees of any of the foregoing, from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state, provincial or federal law or otherwise, which the Borrower has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Second Amendment, whether such claims, demands and causes of action are matured or unmatured or known or unknown other than claims, liabilities or obligations to the extent caused by a Lender's own gross negligence or willful misconduct.
- 6.5 This Second Amendment shall be exclusively (without regard to any rules or principles relating to conflicts of laws) construed in accordance with and governed by the laws of the Province of Alberta and the parties hereto hereby attorn to the jurisdiction of the courts thereof.
- 6.6 This Second Amendment may be executed in original and/or PDF counterparts and all such counterparts taken together shall be deemed to constitute one and the same agreement.

[Balance of page left blank, signature pages follow]

The parties have executed this Second Amendment as of the date first above written.

FIERA PRIVATE DEBT FUND V LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:



Name: Russell French
ASO

Title:

Per:

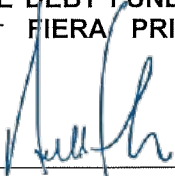


Name: Brian Ko
ASO

Title:

FIERA PRIVATE DEBT FUND VI LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:



Name: Russell French
ASO

Title:

Per:



Name: Brian Ko
ASO

Title:

MANTLE MATERIALS GROUP, LTD.

Per:



Name: Cory Pichota

Title: Authorized Signing Officer

Per:

Name:

Title: Authorized Signing Officer

EXHIBIT A
CONFORMED LOAN AGREEMENT

See attached.

EXHIBIT A – Conformed Loan Agreement to include amendments from First Amendment dated effective October 19, 2022, [and a Second Amendment dated effective June 12, 2023](#)

MANTLE MATERIALS GROUP, LTD.

as Borrower

-and-

**FIERA PRIVATE DEBT FUND VI LP,
by its general partner FIERA PRIVATE DEBT FUND GP INC.,
and FIERA PRIVATE DEBT FUND V LP,
by its general partner FIERA PRIVATE DEBT FUND GP INC.**

as Lender

LOAN AGREEMENT

DATED AS OF APRIL 26, 2021

as amended by a letter agreement dated July 14, 2021 ~~and~~ a First Amendment dated effective as of October 19, 2022, [and a Second Amendment dated effective as of June 12, 2023](#)

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LOAN AGREEMENT

THIS AGREEMENT made effective this 26 day of April, 2021, as amended by a First Amendment dated effective October 19, 2022, [and a Second Amendment dated effective June 12, 2023](#)

AMONG:

MANTLE MATERIALS GROUP, LTD., a corporation under the laws of the Province of Alberta (hereinafter referred to as the "**Borrower**")

- 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.** ("**Fund V**", and together with Fund VI, collectively, the "**Lender**")

PREAMBLE

WHEREAS:

- A. Pursuant to the JMB Loan Agreements (as defined herein), the Lender made certain credit facilities available to JMB Crushing Systems Inc. ("**JMB**") from time to time, as guaranteed by, *inter alios*, 2161889 Alberta Ltd. ("**216**") and secured by certain mortgages, charges and security interests.
- B. Fund V and Fund VI, as acknowledged by, *inter alios*, JMB and 216, entered into a collateral agency agreement dated November 5, 2019, pursuant to which Fund V was directed to act as collateral agent and representative for and on behalf of and for the benefit of the Lender (in such capacity, the "**Collateral Agent**") in respect of all security granted by JMB and 216 to the Lender to secure all or any portion of the indebtedness and obligations owing by JMB and 216 to the Lender under the JMB Loan Agreements (the "**Existing Collateral Agency Agreement**").
- C. Pursuant to an Order of the Honourable Madam Justice K.M. Eidsvik of the Court of Queen's Bench of Alberta (the "**Court**") pronounced on May 1, 2020, as amended and restated by an Order pronounced on May 11, 2020 (as amended and restated, the "**Initial Order**"), JMB and 216 were granted protection pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**", and such proceedings, the "**CCAA Proceedings**").
- D. Pursuant to the Purchase Agreement (as hereinafter defined), JMB and 216 agreed to sell the Acquired Assets (as defined in the Purchase Agreement) to Mantle Materials Group, Ltd. ("**Mantle**"), and Mantle agreed to pay the Purchase Price (as defined in the Purchase Agreement) for the Acquired Assets in part by the assumption of a portion of the indebtedness of JMB owing to the Lender pursuant to the JMB Loan Agreements and any promissory notes issued in connection therewith, on terms and conditions agreeable to Mantle and the Lender (the "**Initial Acquisition**").
- E. Pursuant to a plan of arrangement under the CCAA and *Business Corporations Act*, SBC 2002, c 57 (the "**Plan**"), Mantle was deemed to assume a portion of the indebtedness of JMB owing to the Lender referred to in Recital D (together with the Initial Acquisition, the "**Transaction**").

- F. The Lender consented to the Transaction and in connection therewith, agreed to:
- i. amend, restate, and consolidate the JMB Loan Agreements subject to the terms and conditions as set forth herein;
 - ii. amend and restate the Existing Collateral Agency Agreement in its entirety to, *inter alia*, reaffirm (A) the appointment, duties and responsibilities of the Collateral Agent, and (B) the agreement between the Lender as to decisions relating to the exercise of remedies under the Security (as defined herein) granted to the Collateral Agent, and certain limitations on the exercise of such remedies; and
 - iii. continue certain Credit Facilities in favour of Mantle, and Mantle agreed to avail itself of such Credit Facilities.
- G. Effective May 1, 2021, Mantle, JMB and 216 (collectively, the “**Amalgamating Corporations**”) amalgamated, with the Borrower being the continuing corporation resulting from the amalgamation, and pursuant to an Assumption and Confirmation Agreement dated as of June 4, 2021 (the “**Assumption and Confirmation Agreement**”), the Borrower, *inter alia*, assumed all debts, liabilities, obligations, liens, charges and security interests of whatsoever nature or kind granted by the Amalgamating Corporations under this Agreement and the Loan Documents.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants herein contained, the Borrower and the Lender agree as follows:

SECTION 1 DEFINITIONS

- 1.1 In this Agreement unless there is something in the subject matter or context inconsistent therewith:
- (a) “**216**” has the meaning set out in the preamble hereto;
 - (b) “**216 Dispositions**” means the Dispositions listed on Schedule “F” under the heading “216 Dispositions” together with any security deposited with the AEP in respect thereof to secure Reclamation Obligations;
 - (c) “**Additional Guarantor**” means such Subsidiaries of the Borrower or the Parent Group, as applicable, from time to time that provide Security pursuant to Section 13.1(ff);
 - (d) “**Advance**” means any actual or deemed advance, extension or utilization of credit pursuant to this Agreement;
 - (e) “**AEP**” means Alberta Environment & Parks;
 - (f) “**Affiliate**” means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person or group of Persons, and for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” or “under common control”) means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of shares or by contract or otherwise;
 - (g) “**Aggregate**” means gravel and other aggregates extracted from a Purchased Pit after the Closing Date;

- (h) **“Agreement”** means this loan agreement, as amended by a letter agreement dated July 14, 2021 ~~and~~, a First Amendment dated effective as of October 19, 2022, [a Second Amendment dated effective as of June 12, 2023](#), and as the same may be further amended, restated, modified, supplemented or replaced from time to time in accordance with the provisions hereof;
- (i) **“Amalgamating Corporations”** has the meaning set out in the preamble hereto;
- (j) **“Applicable Canada Bond”** means with respect to a prepayment of an Advance the non-callable Government of Canada bond denominated in Cdn. currency determined by the Lender as having a remaining term to maturity closest to the remaining term to maturity of the Advance in respect of which the prepayment is to be made;
- (k) **“Applicable Canada Bond Yield”** means with respect to the prepayment of an Advance, the arithmetic average (rounded to the nearest 1/100th of 1%) of the respective percentages reasonably determined by the Lender, calculated in accordance with the generally accepted financial practices, assuming monthly compounding, to be the yield to maturity, expressed as an annual rate of interest, on the Applicable Canada Bond on the 2nd Business Day preceding the date of such prepayment;
- (l) **“Applicable Law”** means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction, including all Environmental Laws;
- (m) **“Appraised Equipment Value”** means the appraised gross orderly liquidation value of the Fiera Equipment under the Machinery and Equipment valuation and review prepared by Gordon Brothers for JMB dated May 5, 2020 and effective April 23, 2020;
- (n) **“Assumption and Confirmation Agreement”** has the meaning set out in the preamble hereto;
- (o) **“ATB”** means ATB Financial;
- (p) **“ATB Agreement”** means the agreement between ATB and Mantle setting out the terms governing the ATB Assumed Debt;
- (q) **“ATB Aggregate”** means the Acquired Tranche B Aggregate, as such term is defined in the Purchase Agreement;
- (r) **“ATB Assumed Debt”** means that portion of the indebtedness owed by JMB and 216 to ATB which was assumed by Mantle pursuant to the Plan;
- (s) **“Basis Points”** or **“bps”** means one one-hundredth of one percent;
- (t) **“Borrower”** has the meaning set out in the recitals hereto;
- (u) **“Business Day”** means a day other than Saturday, Sunday or other day on which commercial banks in Calgary, Alberta or Toronto, Ontario are required by Applicable Law to close;

- (v) **“Capital Stock”** means, with respect to any Person from time to time, any and all shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the Person’s equity or capital from time to time, however designated and whether voting or non-voting;
- (w) **“CCAA”** has the meaning set out in the preamble hereto;
- (x) **“CCAA Proceedings”** has the meaning set out in the preamble hereto;
- (y) **“Change in Control”** means any one of the following: (i) the Parent Group or any member or Affiliate thereof ceases to hold fifty (50%) percent of the outstanding Equity Interests of the Borrower; or (ii) in any Fiscal Year, the majority of the Board of Directors of the Borrower changes; provided that, notwithstanding the foregoing, a substitution, addition or change of directors of the Borrower shall not constitute a Change in Control where such newly appointed director or directors are employees, officers or directors of the Parent Group or an Affiliate thereof;
- (z) **“Chattels”** means all the machinery, equipment, furniture, vehicles, goods and tangible personal property of the Borrower as well as every interest of such Loan Party therein, whether as purchaser under a conditional sale agreement, as mortgagor under a chattel mortgage or as lessee under a rental or rental/purchase agreement including all equipment, accessories, tools and appliances thereto now or thereafter fixed or appertaining thereto or used in connection therewith and all other machinery, equipment, furniture, vehicles, goods and Chattels now or hereafter owned or acquired by such Loan Party whether in addition thereto, substitution therefore, replacement thereof, or otherwise;
- (aa) **“Closing Date”** means the date on which all conditions precedent set out in Section 12 have been satisfied or waived, under the initial Agreement dated April 26, 2021.
- (bb) **“Collateral”** means all real and personal property (and the revenues, insurance proceeds, issues, profits, proceeds and products of the foregoing) which are subject, or are intended or required to become subject, to the Security or Encumbrance granted under any of the Loan Documents;
- (cc) **“Collateral Agent”** has the meaning set out in the preamble hereto;
- (dd) **“Commitment Fee”** means Ninety Five Thousand (\$95,000) Dollars;
- (ee) **“Compliance Certificate”** means a certificate addressed to the Lender and executed by the Borrower in the form attached as Schedule “B” attached hereto;
- (ff) **“Conversion Date”** has the meaning set out in Section 6.2 of this Agreement;
- (gg) **“Conversion Notice”** has the meaning set out in Section 6.2(f) of this Agreement;
- (hh) **“Conversion Option”** has the meaning set out in Section 6.2 of this Agreement;
- (ii) **“Conversion Price”** means the total shareholder capital contributed (which as at November 1, 2022 is \$58,645,799) divided by the total number of issued and outstanding common shares of the Borrower calculated on a fully diluted basis;
- (jj) **“Conversion Shares”** means common shares of the Borrower;
- (kk) **“Court”** has the meaning set out in the preamble hereto;

- (ll) **“Credit Facilities”** has the meaning set out in Section 3.1 of this Agreement;
- (a) **“Crestmark Loan”** means the secured credit facility made available by Crestmark, a division of MetaBank, National Association, to the Borrower pursuant to the Crestmark Loan Agreement;
- (b) **“Crestmark Loan Agreement”** means the loan and security agreement dated as of June 6, 2022 between Crestmark, a division of MetaBank, National Association, as lender, and the Borrower, as borrower, together with all schedules thereto, as the same may be amended, modified, supplemented, restated or replaced from time to time; ~~and~~
- (c) **“Crestmark Documents”** means, collectively, the Crestmark Loan Agreement and any other documents, agreements or instruments entered into by the Borrower in connection with the Crestmark Loan; ~~;~~
- (d) **“Crown”** means His Majesty the King in right of the Province of Alberta (formerly, Her Majesty the Queen in right of the Province of Alberta);
- (e) **“Current Assets”** means, at any time, those assets ordinarily realizable within one (1) year from the date of determination or within the normal operating cycle, where such cycle is longer than one (1) year;
- (f) **“Current Liabilities”** means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for Current Assets), but excluding, for certainty, the ATB Assumed Debt;
- (g) **“Current Ratio”** means the Current Assets divided by the Current Liabilities, excluding the current portion of long term debt;
- (h) **“Debt Service Coverage”** means EBITDA plus (to the extent not already included) any other non-cash expenses acceptable to the Lender less un-financed capital expenditure, advances to related parties deferred charges, Distributions and cash taxes, divided by the total of (A) scheduled principal repayments in respect of Facility A, (B) principal repayments in respect of Facility B, (C) scheduled principal payments on all other consolidated debt (other than, for greater certainty, payments of ATB Assumed Debt), and (D) all interest payments; provided that for the purposes of this definition (i) at all times, principal repayments in respect of the Facility D Principal shall be excluded and (ii) for any time up to and including March 31, 2025, repayments of the Facility B Principal shall be excluded. For certainty, beginning with the quarterly fiscal period beginning as of April 1, 2025, principal repayments of the Facility B Principal shall be included in Debt Service Coverage;
- (i) **“Disposition”** means a disposition of land of the Crown in right of Alberta under the *Public Lands Act*, RSA 2000, Ch. P-40;
- (j) **“Distribution”** means any amount paid by any Loan Party to or on behalf of the employees, directors, officers, shareholders or partners of any Loan Party or to any Related Person thereto, by way of salary, bonus, commission, management fees, directors’ fees, dividends, redemption of Capital Stock or other Equity Interests, distribution of profits, or otherwise, and whether payments are made to such Persons in their capacity as shareholders, partners, directors, officers, employees, owners or creditors of any Loan Party or otherwise, or any other direct or indirect payment in respect of earnings or capital of any Loan Party; provided however that

(A) the payment of salaries and management fees from time to time to partners, officers and employees of a Loan Party in the ordinary course of business at levels not in excess of (i) normal industry remuneration and (ii) those in existence as at the Closing Date shall not be considered Distributions, and (B) the issuance of Capital Stock or other Equity Interests of any Loan Party to any existing shareholder thereof, and the issuance of Capital Stock or other Equity Interests of any Loan Party to any employee under such Loan Party's long term incentive plan;

- (k) **"Eastside"** means Eastside Rock Products, Inc.;
- (l) **"EBITDA"** means, with respect to the Borrower, earnings before interest, taxes, depreciation, depletion expenses, accretion, amortization and payments under Facility B, but does not include such non-cash items as stock based compensation, loss/gain on disposal of assets and/or any one time/non-recurring items. EBITDA shall include adjustments for trailing results of the Transaction and other acquisitions, as reasonably applicable and approved by the Lender, acting reasonably;
- (m) ["EBIT" means earnings before interest and taxes.](#)
- (n) ~~(m)~~ **"Economic Cost"** has the meaning set out in Section 6.4(b)(i);
- (o) ~~(n)~~ **"Encumbrance"** means, with respect to any Person or any property, any mortgage, debenture, chattel mortgages, conditional sales contracts, pledge, hypothec, lien, charge, lease, sublease, easement, preference, priority, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person's property or assets, or any consignment by way of security or Finance Lease Obligations of such Person as consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation, including title reservations, limitations, provisos or conditions, and **"Encumbrances"** and **"Encumbered"** have corresponding meanings;
- (p) ~~(o)~~ **"Environmental Complaint"** shall have the meaning set forth in Section 13.1(aa) hereof;
- (q) ~~(p)~~ **"Environmental Laws"** shall mean all federal, Canadian, state, provincial and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment, human health and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of Governmental Authorities with respect thereto which are applicable to the Lands, operations or assets of the applicable Loan Party;
- (r) ~~(q)~~ **"EPEA"** means the *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 and the regulations thereunder, including the Code of Practice for Pits issued thereunder;
- (s) ~~(r)~~ **"Equity Interests"** means, in respect of any Person, Capital Stock of such Person, warrants, options or other rights to acquire Capital Stock of the Person and securities convertible into or exchangeable for Capital Stock of such Person;

- (t) ~~(s)~~ “**Existing Collateral Agency Agreement**” has the meaning set out in the preamble hereto;
- (u) ~~(t)~~ “**Event of Default**” means the occurrence of any event listed in Section 18 hereof;
- (v) ~~(u)~~ “**Facility A**” has the meaning set out in Section 3.1(a) herein;
- (w) ~~(v)~~ “**Facility A Deferral Period**” has the meaning set out in Section 6.1(b) herein;
- ~~(w) “**Facility A Interest-Only Period**” has the meaning set out in Section 6.1(a) herein;~~
- (x) “**Facility A Principal**” has the meaning set out in Section 3.1(a) herein;
- (y) “**Facility B**” has the meaning set out in Section 3.1(b) herein;
- (z) “**Facility B Principal**” has the meaning set out in Section 3.1(b) herein;
- (aa) “**Facility D**” has the meaning set out in Section 3.1(d) herein;
- (bb) “**Facility D Deferral Period**” has the meaning set out in Section 6.3(b) herein;
- ~~(cc) “**Facility D Interest-Only Period**” has the meaning set out in Section 6.3(a) herein;~~
- (cc) ~~(dd)~~ “**Facility D Principal**” has the meaning set out in Section 3.1(d) herein;
- (dd) ~~(ee)~~ “**Facility D Maturity Date**” means October 15, 2023;
- (ee) ~~(ff)~~ “**Fiera Equipment**” means the tangible personal property listed on Schedule “I” hereto;
- (ff) ~~(gg)~~ “**Finance Lease Obligation**” of any Person means the obligations of such Person under any Finance Lease to which it is a party;
- (gg) ~~(hh)~~ “**Finance Leases**” has the meaning ascribed to such term, and, for certainty, includes “lease liabilities” as it relates to a lessee, in the International Financial Reporting Standard 16, as same may be amended from time to time;
- (hh) ~~(ii)~~ “**Fiscal Year**” means, in respect of the Borrower, its fiscal year commencing on the 1st of January each year and ending on 31st of December of that same year, or such other fiscal year as may be agreed to by the Lender;
- (ii) ~~(jj)~~ “**Funded Debt**” means, with respect to any Person:
- (i) money borrowed (including, without limitation, by way of overdraft) or indebtedness represented by notes payable and drafts accepted representing extensions of credit;
 - (ii) bankers’ acceptances and similar instruments;
 - (iii) letters of credit, letters of guarantee and surety bonds issued at the request of such Person;
 - (iv) all obligations (whether or not with respect to the borrowing of money) that are evidenced by bonds, debentures, notes or other similar instruments,

excluding any such instruments that are at the sole option of the Borrower, convertible into capital of the Borrower but including without limitation, any indebtedness or liabilities of such Person that may be satisfied by the delivery of shares of such Person to the holder thereof or to another Person on behalf of the holder, or that are not so evidenced but that would be considered by GAAP to be indebtedness for borrowed money;

- (v) all obligations as lessee under sale and lease-back, transactions and Finance Leases;
- (vi) all Purchase Money Obligations of such Person; and
- (vii) any guarantee or indemnity (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) in any manner of any part or all of an Obligation included in items (a) through (f) above,

and, for certainty, shall include the Credit Facilities but shall not include the ATB Assumed Debt;

(jj) ~~(kk)~~ **“Generally Accepted Accounting Principles”** or **“GAAP”** means those accounting principles recommended by Chartered Professional Accountants Canada (**“CPA Canada”**) as successor to the Canadian Institute of Chartered Accountants) and includes any recommendation in its Handbook concerning accounting treatment or statement presentation, such recommendation shall be regarded as the only generally accepted accounting principle applicable to the circumstances that it covers and reference herein to **“Generally Accepted Accounting Principles”** shall be interpreted accordingly, and means in reference to the Loan Parties, IFRS;

(kk) ~~(ll)~~ **“Governmental Authority”** means (i) any government or political subdivision thereof national, provincial, county, municipal or regional having jurisdiction in the relevant circumstances; (ii) any agency or instrumentality of any such government, political subdivision or other government entity (including any central bank or comparable agency); (iii) any court, arbitral tribunal or arbitrator; and (iv) any non-government regulating body, to the extent that the rules, regulations or orders of such body have the force of law;

(ll) ~~(mm)~~ **“Hazardous Discharge”** shall have the meaning set forth in Section 13.1(aa) hereof;

(mm) ~~(nn)~~ **“Hazardous Substance”** shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials;

(nn) ~~(oo)~~ **“Hazardous Wastes”** shall mean all waste materials subject to regulation under any Environmental Laws now in force or hereafter enacted relating to hazardous waste disposal;

(oo) ~~(pp)~~ **“IFRS”** means International Financial Reporting Standards, including International Accounting Standards and Interpretations together with their accompanying documents, which are set by the International Accounting Standards Board, the independent standard-setting body of the International Accounting

Standards Committee Foundation (the “**IASC Foundation**”), and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation, but only to the extent the same are adopted in Canada as GAAP and then subject to such modifications thereto as are agreed to as part of such adoption, if any;

(pp) ~~(qq)~~ “**Indebtedness**” means the principal sum or aggregate amount outstanding at any given time of all loans and advances made, or which may be made, by the Lender to the Borrower (including the Credit Facilities) and interest on such loans and advances and all costs, charges and expenses of, or incurred by the Lender, in connection with any Security and in connection with all Collateral (whether in protecting, preserving, realizing or collecting any such Security or Collateral or attempting so to do or otherwise), and all other obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the Borrower to the Lender arising from this or any agreement or dealings between the Lender and the Borrower or from any agreement or dealings with any Person by which the Lender may be or become in any manner whatsoever a creditor of the Borrower or otherwise howsoever arising and whether the Borrower be bound alone or with another or others and whether as principal or surety, including without limitation the fees, costs and expenses contemplated by Section 13.1(i), it being the express intention of the parties that the word “Indebtedness” include such amount as is necessary to indemnify and save harmless the Lender from all such costs, expenses and monies as aforesaid;

(qq) ~~(rr)~~ “**Initial Order**” has the meaning set out in the preamble hereto;

(rr) ~~(ss)~~ “**Interest Rate**” means the rate of interest equal to seven (7%) percent per annum;

(ss) ~~(tt)~~ “**Interest Rate Differential**” means the greater of:

- (i) three (3) months interest calculated in accordance with this Agreement; and
- (ii) the premium equal to the difference between:
 - (A) the present value of the Credit Facilities interest and the principal payments which are foregone, discounted at the Applicable Canada Bond Yield, (on a compounded monthly equivalent basis, as determined by the Lender), for the term from the date of prepayment to the date of original maturity plus 50 Basis Points; and
 - (B) the face value of the principal amount being prepaid at the date of prepayment;

(tt) ~~(uu)~~ “**Initial Acquisition**” has the meaning set out in the preamble hereto;

(uu) ~~(vv)~~ “**Inventory**” has the meaning defined in the *Personal Property Security Act* (Alberta);

(vv) ~~(ww)~~ “**JMB**” has the meaning set out in the preamble hereto;

(ww) ~~(xx)~~ “**JMB Dispositions**” means the Dispositions listed on Schedule “F” under the heading “JMB Dispositions” together with any security deposited with the AEP in respect thereof to secure Reclamation Obligations;

- (xx) ~~(yy)~~ “**JMB Loan Agreements**” means the amended and restated loan agreement effective December 14, 2018 between JMB, as borrower, Eastside, as guarantor, and Fiera Private Debt Fund V LP (formerly known as Integrated Private Debt Fund V LP), by its general partner Fiera Private Debt Fund GP Inc. (formerly known as Integrated Private Debt Fund GP Inc.), as lender, together with the loan agreement effective October 17, 2019 between JMB, as borrower, Eastside and 216, as guarantors, and Fund VI, as lender;
- (yy) ~~(zz)~~ “**Lands**” means those lands located in the Province of Alberta and referenced in Schedule “G”;
- (zz) ~~(aaa)~~ “**Lender**” has the meaning set out in the recitals hereto;
- (aaa) ~~(bbb)~~ “**Loan Documents**” means, collectively, this Agreement, the Security and each agreement, instrument and each certificate, agreement or document executed in connection with or pursuant to any of the foregoing, in each case as the same may be amended, restated, modified, supplemented or replaced from time to time;
- (bbb) ~~(ccc)~~ “**Loan Parties**” means the Borrower and each Additional Guarantor, from time to time, and each is a “**Loan Party**”;
- (ccc) ~~(ddd)~~ “**Mantle**” has the meaning set out in the preamble hereto;
- (ddd) ~~(eee)~~ “**Material Adverse Change**” means any event, development or circumstance that has had or would reasonably be expected to have a Material Adverse Effect;
- (eee) ~~(fff)~~ “**Material Adverse Effect**” means a material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of the Borrower, or (b) the amount which the Lender would be likely to receive (after giving effect to delays in payment and costs of enforcement) upon the liquidation of the Collateral;
- (fff) ~~(ggg)~~ “**Material Agreement**” means an agreement made between the Borrower and another Person which if terminated by reason of breach, wrongdoing or neglect by or on behalf of the Borrower, would reasonably be expected to have a Material Adverse Effect or result in an Event of Default, and includes, without limitation, those agreements specifically listed in Schedule “F”;
- (ggg) ~~(hhh)~~ “**Maturity Date**” means April 26, 2029;
- (hhh) ~~(iii)~~ “**Maximum Allowable Interest**” has the meaning ascribed to such term in Section 7.2(b);
- (iii) ~~(jjj)~~ “**Parent Group**” means RLF Canada Holdings Limited;
- (jjj) ~~(kkk)~~ “**Permitted Encumbrances**” means the Encumbrances and registrations registered against the Borrower and described in Schedule “A” attached hereto and forming part of this Agreement;
- (kkk) ~~(lll)~~ “**Permitted Future Finance Leases**” means those certain Finance Leases entered into or assumed by the Borrower after the advance of the Credit Facilities provided always that that the maximum aggregate limit for all such leases, taken together with Permitted Future PMOs, shall not exceed Four Million (\$4,000,000) Dollars for the Borrower at any time;

- (lll) ~~(mmm)~~ **“Permitted Future PMOs”** means the Encumbrances granted against specific purchased property or assets in connection with those certain Purchase Money Obligations entered into or assumed by the Borrower after the advance of the Credit Facilities; provided always that that the maximum aggregate limit for all such Purchase Money Obligations, taken together with Permitted Future Finance Leases, shall not exceed Four Million (\$4,000,000) Dollars for the Borrower at any time;
- (mmm) ~~(nnn)~~ **“Permitted Future Subordinated Debt”** means Funded Debt, in an amount to be approved by the Lender, which is subordinated to the Credit Facilities and is either unsecured, or if secured, such Encumbrances are subordinated and postponed to the Security, on terms and conditions acceptable to the Lender, acting reasonably;
- (nnn) ~~(ooo)~~ **“Permitted Future Subordinated Debt Security”** means those Encumbrances securing Permitted Future Subordinated Debt; provided that such Encumbrances are postponed to the Security, on terms and conditions acceptable to the Lender, acting reasonably;
- (ooo) ~~(ppp)~~ **“Permitted Future Working Capital Security”** means the Encumbrances granted against the Collateral (or any portion thereof) or any other assets or property of the Loan Parties as security for certain credit facilities for the purposes of financing the Borrower and Loan Parties working capital and other operating needs entered into or assumed by the Borrower after the advance of the Credit Facilities; provided always that that the maximum aggregate limit for all such credit facilities shall not exceed Five Million (\$5,000,000) Dollars for the Borrower at any time and security for such financings shall be first priority over the Loan Parties’ respective accounts receivable and inventory only;
- (ppp) ~~(qqq)~~ **“Permitted Restructuring”** is defined in Section 14.1(p);
- (qqq) ~~(rrr)~~ **“Person”** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership, Governmental Authority or other entity;
- (rrr) ~~(sss)~~ **“PLA”** means the *Public Lands Act*, RSA 2000, c P-4 and all regulations thereunder.
- (sss) ~~(ttt)~~ **“Plan”** has the meaning set out in the preamble hereto;
- (ttt) ~~(uuu)~~ **“Pledged Securities”** means the Equity Interests of the Loan Parties and other Persons that are specifically pledged as part of the Security from time to time;
- (uuu) ~~(vvv)~~ **“Promissory Note”** has the meaning set out in Section 3.2 herein;
- (vvv) ~~(www)~~ **“Property”** means, with respect to any Person, any or all of its undertaking, property and assets;
- (www) ~~(xxx)~~ **“Purchase Agreement”** means the amended and restated purchase agreement dated as of March 3, 2021, entered into between, *inter alios*, JMB and 216, as vendors, and Mantle, as purchaser, as may be further amended;
- (xxx) ~~(yyy)~~ **“Purchase Money Obligations”** means any indebtedness incurred, assumed or owed by the Borrower as all or part of, or incurred or assumed by the Borrower to provide funds to pay all or part of the purchase price of any property or assets acquired by the Borrower;

- (yyy) ~~(zzz)~~ **“Purchased Pits”** means the gravel and aggregate pits located on the Lands;
- (zzz) ~~(aaaa)~~ **“Reclamation Obligations”** means the reclamation and remediation obligations in respect of the Aggregate Pits under the EPEA and the PLA;
- (aaaa) ~~(bbbb)~~ **“Redeemable Amount”** has the meaning set out in Section 6.2 of this Agreement;
- (bbbb) ~~(cccc)~~ **“Related Person”** in relation to any Person means a subsidiary, affiliate, associate, employee or partner of such Person, or an associate of such employee (the terms “subsidiary”, “affiliate” and “associate” having the respective meanings ascribed thereto in the *Canada Business Corporations Act*;
- (cccc) ~~(dddd)~~ **“Relevant Jurisdiction”** means, from time to time, with respect to a Person that is granting Security hereunder, any province or territory of Canada or state of the United States of America in which such Person is incorporated or formed, has its chief executive office or chief place of business or has Collateral and, for greater certainty, includes the provinces set out in Schedule “H”;
- (dddd) ~~(eeee)~~ **“Retained Fiera Equipment Amount”** means the aggregate Appraised Equipment Value of all Fiera Equipment which any Loan Party elects, in its sole discretion, to retain;
- (eeee) **“RLF Debenture”** has the meaning set out in the [RLF Subordination Agreement](#).
- (ffff) **“RLF Indebtedness”** has the meaning set out in the [RLF Subordination Agreement](#).
- (gggg) **“RLF Subordination Agreement”** means [a subordination agreement dated October 19, 2022 among the Borrower, the Parent Group and the Lender, in respect of certain RLF Indebtedness under the RLF Debenture, as amended by a first amendment dated May _____, 2023, and as may be further amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms therein](#).
- (hhhh) ~~(ffff)~~ **“Security”** means any security or security documentation (including any evidences of debt) as more fully described in Section 11 hereof, granted by a Loan Party to the Lender (including, for certainty, the Security to be delivered by a Subsidiary pursuant to Section 13.1(i)(iii)) to secure the Indebtedness, and includes any amendments thereto or renewals or substitutions thereof;
- (iiii) ~~(gggg)~~ **“SML 60”** has the meaning set out in Section 6.5(a) herein;
- (jjjj) ~~(hhhh)~~ **“Subsidiary”** of any Person means any other Person of which Capital Stock or other Equity Interests having ordinary voting power to elect a majority of the board of directors or other individuals performing comparable functions, or which are entitled to or represent more than 50% of the owners’ Capital Stock or other Equity Interests or entitlement to profits, are owned beneficially or controlled, directly or indirectly, by any one or more of that first Person and the Subsidiaries of that first Person, and includes any other Person in like relationship to a Subsidiary of that first Person;
- (kkkk) ~~(iiii)~~ **“Third Party”** means a Person other than the Borrower, the Lender or any Affiliate thereof;

(llll) ~~(jjjj)~~ **“Total Senior Funded Debt”** means all Funded Debt other than Permitted Future Subordinated Debt, including, without limitation, any operating debt, short term debt, senior long term debt, and all financial contingent obligations (including without limitation, financial guarantees, capitalized interest, and obligations pursuant to any Finance Leases); provided that for the purposes of this definition (i) at all times, it shall exclude Indebtedness under Facility D, and (ii) for any time up to and including December 31, 2023, it shall exclude the principal amount then outstanding under Facility B, but for all periods and thereafter, it shall include the net present value (as determined in accordance with GAAP using a discount rate equivalent to the Interest Rate) of the principal amount then outstanding under Facility B;

(mmmm) ~~(kkkk)~~ **“Toxic Substance”** shall mean and include any material present on the Real Property or the Leasehold Interests which has been shown to have significant adverse effect on human health or which is subject to regulation under applicable Environmental Laws;

(nnnn) ~~(llll)~~ **“Transaction”** has the meaning set out in the preamble hereto;

(oooo) ~~(mmmm)~~ **“Travelers Loan”** means the secured credit facility made available by Travelers Capital Corp. to the Borrower pursuant to the Travelers Loan Agreement;

(pppp) ~~(nnnn)~~ **“Travelers Loan Agreement”** means the loan and security agreement dated as of October 8, 2021 between Travelers Capital Corp., as lender, and the Borrower, as borrower, together with all schedules thereto, as the same may be amended, modified, supplemented, restated or replaced from time to time; and

(qqqq) ~~(oooo)~~ **“Travelers Documents”** means, collectively, the Travelers Loan Agreement and any other documents, agreements or instruments entered into by the Borrower in connection with the Travelers Loan.

SECTION 2 PREAMBLE, SCHEDULES, AND AMENDMENT AND RESTATEMENT

- 2.1 The parties hereby confirm and ratify the matters contained and referred to in the Preamble to this Agreement and agree that the Schedules attached hereto are expressly incorporated into and form part of this Agreement.
- 2.2 Except as otherwise stated herein, as of the date hereof, the terms, conditions, covenants, agreements, representations and warranties set forth in the JMB Loan Agreements are hereby replaced and superseded in their entirety by the terms, conditions, covenants, agreements, representations and warranties set forth in this Agreement. The amendment and restatement contained herein, other than to the extent expressed hereunder, shall not, in any manner, be construed to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation in respect of, the indebtedness and other obligations and liabilities of the Loan Parties, as applicable, secured under or in connection with the JMB Loan Agreements or any of the Encumbrances and security interests securing such indebtedness and other obligations and liabilities, which shall not in any manner be impaired, limited, terminated, waived or released. The JMB Loan Agreements continue, up to the date hereof, to constitute a legal, valid and binding obligation of the Loan Parties, to which they are a party, enforceable against it in accordance with its terms.

SECTION 3 ESTABLISHMENT OF CREDIT FACILITIES AND ADVANCE

- 3.1 Subject to the terms and conditions of this Agreement, the following credit facilities are deemed to be fully advanced (collectively, the **“Credit Facilities”**) pursuant to advances from time to time to JMB under the JMB Loan Agreements:

- (a) a non-revolving facility (“**Facility A**”) with a fixed rate term option, in the current principal amount as at ~~October 15~~ June 12, 2022~~2023~~ equal to Three Million Seven Hundred Thirty Thousand Five Hundred (\$3,730,500) Dollars, which amount is inclusive of \$50,000 of the Commitment Fee (collectively, the “**Facility A Principal**”);
- (b) a non-revolving facility (“**Facility B**”), non-interest bearing, in the current principal amount as at ~~October 15~~ June 12, 2022~~2023~~ equal to Five Million Nine Hundred Eighty ~~Seven~~Four Thousand ~~Five~~One Hundred ~~Thirty~~Five (~~\$5,987,535.58~~Eighty Three (\$5,984,183.24)) Dollars and ~~Fifty~~Eight ~~Twenty~~Four Cents (the “**Facility B Principal**”);
- (c) [Reserved – Facility C has been repaid in full];
- (d) a non-revolving facility (“**Facility D**”) with a fixed rate term option, in the current principal amount as at ~~October 15~~ June 12, 2022~~2023~~ equal to One Hundred and Eleven Thousand (\$111,000) Dollars (the “**Facility D Principal**”).

3.2 Each Credit Facility shall be evidenced by a promissory note made and delivered by the Borrower in favour of the Lender (each, a “**Promissory Note**”). The Promissory Notes shall be dated as of the Closing Date, shall be in the principal amount of each Credit Facility and shall bear interest, if applicable, at the Interest Rate as hereinafter provided. The Credit Facilities shall be deemed to have been already advanced by the Lender on the Closing Date, and the remaining balance of the principal amounts owing are as follows:

- (a) ~~\$8,591,968.58~~ \$8,557,162.12 (87.41%) by Fund V; and
- (b) ~~\$1,237,067.00~~ \$1,232,521.12 (12.59%) by Fund VI.

3.3 Any payment of Indebtedness pursuant to the provisions hereof shall be deemed to be made *pro rata* in proportion to the Advances outlined above.

SECTION 4 PURPOSE

4.1 The Borrower, as the continuing company from the amalgamation of the Amalgamating Corporations, acknowledges Mantle’s prior assumption pursuant to the Plan of that portion of the indebtedness owing to the Lender under the JMB Loan Agreements equal to the aggregate of the outstanding Facility A Principal, the Facility B Principal, and Facility C Principal and the Facility D Principal (as such terms were defined under the initial Agreement dated April 26, 2021), that such amounts were fully advanced to JMB and were not repaid, such assumption did not constitute a repayment of such assumed indebtedness, and such assumption and the granting by the Lender to Mantle of the Credit Facilities have facilitated the completion of the Transaction.

SECTION 5 EVIDENCE OF INDEBTEDNESS

5.1 The Borrower acknowledges that the actual recording of the amount of any Advance or repayment thereof, and interest, fees and other amounts due in connection with the Credit Facilities, in the accounts maintained by the Lender, shall constitute *prima facie* evidence, absent manifest error, of the Borrower’s indebtedness and liability from time to time under the Loan Documents; provided that the obligation of the Borrower to pay or repay any amounts in accordance with the terms and conditions of Loan Documents shall not be affected by the failure of the Lender to make such recording. The Borrower hereby acknowledges being indebted to the Lender for the principal amount outstanding from time

to time under the Credit Facilities, and all accrued and unpaid issuance fees, interest, or other fees.

SECTION 6 REPAYMENT

6.1 The Borrower agrees to repay Facility A with interest as aforesaid calculated daily, not in advance, as follows:

~~(a) quarterly interest only payments at the Interest Rate from the Closing Date until and including October 15, 2022 (the "Facility A Interest-Only Period"), provided such accrued interest from July 16, 2022 until and including October 15, 2022 shall be capitalized;~~

(a) ~~(b) following the Facility A Interest-Only Period~~ until and including July 14, 2023, payments of principal and interest shall be deferred (the "**Facility A Deferral Period**"), provided that during the Facility A Deferral Period, payment-in-kind (PIK) interest shall accrue at a rate of nine (9%) percent per annum (interest-on-interest to apply);

(b) ~~(c)~~ following the Facility A Deferral Period, blended monthly payments of principal (including the capitalized interest in subsection (a) and PIK interest in subsection (b) above) and interest at the Interest Rate until the Maturity Date, all as more particularly specified in the amortization and payment schedule set out in the attached Schedule "E"; and

(c) ~~(d)~~ the Facility A Principal, and all other amounts outstanding with respect to Facility A pursuant to this Agreement or the Security, plus any interest and fees in connection therewith, shall be due and payable on the Maturity Date.

6.2 The Borrower agrees to repay Facility B in monthly payments commencing Twelve (12) months following the Closing Date based on \$1 per tonne of Aggregate sold by the Borrower to Third Parties, which such sum shall increase on each subsequent anniversary of the Closing Date by a rate of 2% per annum compounding annually. In addition to the foregoing, at all times while the RLF Indebtedness is in excess of \$1,000,000.00, the Borrower shall pay to the Lender monthly payments of:

(a) for each metric tonne of Aggregate sold by the Borrower to Third Parties each Fiscal Year in excess of 250,000 metric tonnes and up to 310,000 metric tonnes, \$0.50 on each metric tonne sold; such and

(b) for each metric tonne of Aggregate sold by the Borrower to Third Parties each Fiscal Year in excess of 310,000 metric tonnes, the greater of (i) \$0.50 on each metric tonne sold, and (ii) 50% of incremental EBIT generated on Aggregate sold by the Borrower to Third Parties (other than sub-contract crushing),

provided the parameters of the above noted payments shall be reset by the Lender and the Borrower each calendar year on January 1. The Borrower acknowledges and agrees that the Lender may appoint a financial advisor, in its sole discretion and at the cost of the Borrower, to review the calculations and underlying records which support the calculation of the foregoing royalty payments set out in this Section. Such monthly payments under this Section shall be payable fifteen (15) days following the end of each month after commencement on the basis of the proceeds of such sales actually received in the last month by the Borrower, and shall continue until the Maturity Date, at which such time the Facility B Principal shall be due and payable in full. Notwithstanding the foregoing, at any time and from time to time, the Lender shall have the option, in its sole discretion, to elect to

require the Borrower to redeem all or any portion of the outstanding amounts under Facility B (the principal amount required to be redeemed plus interest to the Conversion Date being the "**Redeemable Amount**") by issuing to the Lender that number of Conversion Shares equal to the Redeemable Amount divided by the Conversion Price, in full satisfaction of the Redeemable Amount (the "**Conversion Option**"), whereupon the Borrower shall within 90 days of receipt of the Conversion Notice (the "**Conversion Date**") issue to the Lender such Conversion Shares. If the Lender elects such Conversion Option:

- (c) ~~(a)~~ The Lender's rights of redemption shall extend only to a whole number of Conversion Shares. Notwithstanding anything contained herein, the Borrower shall in no case be required to issue fractional Conversion Shares upon the conversion of the Redeemable Amount. If any fractional interest in a Conversion Share would, except for the provisions of this subsection, be deliverable upon the conversion of the Redeemable Amount, the such fractional interest shall remain as an outstanding obligation under Facility B, in an amount in lawful money of Canada equal to the remaining Redeemable Amount after so much of the Redeemable Amount as may be converted into a whole number of Conversion Shares has been converted. Any Conversion Shares issued or delivered pursuant to this Agreement shall be fully paid and non-assessable, without any further compensation therefor.
- (d) ~~(b)~~ In order to benefit from the redemption of any obligations into Conversion Shares under this Section 6.2, the Lender shall provide the Borrower 90 days written notice to elect the Conversion Option (such notice to be provided in accordance with the terms herein) (the "**Conversion Notice**"). Thereupon the Lender or, subject to compliance with any requirements of any applicable securities laws determined by the Borrower acting reasonably, its nominee(s) approved by the Borrower, shall be entitled to be entered in the books of the Borrower as at the date of such notice as the holder of the number of Conversion Shares into which the Redeemable Amount is convertible, in accordance with the provisions of this Section and, as soon as practicable thereafter, the Borrower shall deliver to the Lender, or subject as aforesaid, its nominee(s), certificates for such Conversion Shares.
- (e) ~~(c)~~ The Conversion Notice shall be deemed to constitute a contract between the Lender and the Borrower whereby: (i) the Lender subscribes for the number of Conversion Shares which it shall be entitled to receive on such conversion; (ii) the Lender releases the Borrower from all liability with respect to the Redeemable Amount effective upon its conversion to Conversion Shares; and (iii) the Borrower agrees that the aforementioned release of obligations constitutes full payment of the subscription price for the Conversion Shares issuable upon such conversion.
- (f) ~~(d)~~ The Borrower covenants with the Lender that it will at all times reserve and keep available out of its authorized Conversion Shares, solely for the purpose of issue upon conversion of the obligations under this Section 6.2, and conditionally allot to the Lender, such number of Conversion Shares as shall then be issuable upon the full conversion of the obligations. The Borrower covenants with the Lender that all Conversion Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.
- (g) ~~(e)~~ The certificates representing the Conversion Shares issuable upon exercising the Conversion Option as provided for in this Section 6.2 will bear such legend(s) denoting the restrictions on transferability posed by any unanimous shareholders agreement and by applicable corporate and securities laws. The Lender agrees to sell, assign or transfer such Conversion Shares only in accordance with the requirements of all such legends and all applicable corporate and securities laws.

6.3 The Borrower agrees to repay Facility D with interest as aforesaid calculated daily not in advance, as follows:

~~(a) quarterly interest only payments at the Interest Rate from the Closing Date until and including October 26, 2022 (the "Facility D Interest Only Period"), provided such accrued interest from July 16, 2022 until and including October 15, 2022 shall be capitalized;~~

(a) ~~(b) following the Facility D Interest Only Period,~~ until and including the Facility D Maturity Date, payments of principal and interest shall be deferred (the "**Facility D Deferral Period**"), provided that during the Facility D Deferral Period, PIK interest shall accrue at a rate of nine (9%) percent per annum (interest-on-interest to apply); and

(b) ~~(c)~~ the Facility D Principal, and all other amounts outstanding with respect to Facility D pursuant to this Agreement or the Security, plus any interest and fees in connection therewith, shall be due and payable on the Facility D Maturity Date.

6.4 Without in any way limiting the foregoing, and notwithstanding anything contained herein, the parties hereto expressly acknowledge, covenant and agree that any net proceeds from the sale of any JMB Dispositions and / or 216 Dispositions shall be immediately payable and transferred to the Lender upon receipt, to be applied against the then outstanding Indebtedness to the Lender, in accordance with Section 8 herein.

6.5 Each of the Loan Parties further acknowledge, covenant and agree that:

(a) if Surface Material Lease No. 060060 in favour of the Borrower (previously in favour of its predecessor, 216) located within SW-13-65-18-W4M ("**SML 60**") shall be sold, any and all net proceeds from such sale shall be immediately payable and transferred to the Lender upon receipt; and

(b) at all times prior to the completion of such sale contemplated in the foregoing subsection (a), \$1 per tonne of Aggregate sold by the Borrower to Third Parties under SML 60 shall be immediately payable and transferred to the Lender upon receipt,

the foregoing proceeds to be applied as follows:

(i) *firstly*, up to One Hundred Thousand (\$100,000) Dollars (the "**Economic Cost**") to be applied by the Lender towards any costs, fees, and disbursements incurred in relation to this Agreement and the CCAA Proceedings; and

(ii) *secondly*, the remainder of the sale proceeds in excess of the Economic Cost to be applied towards the outstanding Indebtedness under the Credit Facilities, to be allocated to the Credit Facilities as mutually agreed to between the Borrower and the Lender.

SECTION 7 INTEREST

7.1 Subject to and in accordance with Section 6 herein, the Borrower agrees to pay interest on the outstanding Facility A Principal and Facility D Principal, respectively, from time to time from the Closing Date until repayment in full, at a rate per annum (calculated on the basis of a 365/366 day year), equal to the Interest Rate or such other rate set out herein. Interest at such rate shall be payable monthly, or quarterly, as applicable, and

as more particularly specified in the amortization and payment schedule set out in the attached Schedule "E" both before and after demand, default, maturity and the obtaining of any judgment by the Lender against the Borrower and all interest on becoming overdue shall be treated, as to payment of further interest, as principal and shall bear compound interest at the rate payable with respect to Facility A and Facility D both before and after the obtaining of any judgment by the Lender against the Borrower to the extent permitted by Applicable Law.

7.2 Notwithstanding anything to the contrary hereinbefore or hereinafter contained in the Loan Documents or any of them, the parties hereto expressly acknowledge, covenant and agree that:

- (a) the Loan Documents shall not constitute an agreement or arrangement whereby or pursuant to which the Lender would or will receive Interest on an Advance at a Criminal Rate of Interest;
- (b) this Agreement shall at all times be construed, interpreted and, to the extent required, deemed to have been amended to reflect and provide that the maximum Interest that the Lender is and shall be entitled to charge and receive in respect of the Advance shall be 1/10th of 1% less than the Criminal Rate (the "**Maximum Allowable Interest**");
- (c) no payment or partial payment of interest on the Credit Facilities shall be in excess of the Maximum Allowable Interest;
- (d) any payment of Interest made by the Borrower on account of the Credit Facilities that would be in excess of the Maximum Allowable Interest or would otherwise be deemed to be at a Criminal Rate shall, in respect of the amount that is in excess of the Maximum Allowable Interest or is at a Criminal Rate, be deemed to be held in a suspense account, with the applicable Maturity Date being extended as necessary to make such payment less than the Maximum Allowable Interest; and
- (e) for the purposes hereof, "Criminal Rate" and "Interest" shall have the meaning specified in the Criminal Code of Canada.

7.3 For purposes of the *Interest Act* (Canada) (A) whenever a rate of interest hereunder is calculated on the basis of a year (the "deemed year") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year; (B) the principal of deemed reinvestment shall not apply to any interest calculation hereunder; and (C) the rates of interest quoted by Lender to the Borrower pursuant hereto are intended to be nominal rates and not effective rates or yields.

7.4 Notwithstanding any other provision to the contrary herein, if an Event of Default has occurred and is continuing, interest shall accrue at a rate equal to the Interest Rate plus 2% per annum to the maximum extent permitted by Applicable Law (i) calculated and accruing daily from and including such date the Event of Default has occurred, up to but excluding the date such Event of Default has been remedied, both before and after demand, default or judgment, (ii) compounded monthly on the first Business Day of each calendar month with the amount of such accrued interest being added to the outstanding Facility A Principal Amount on such Business Day; and (iii) shall be payable

by the Borrower on the earlier of: (a) the date on which the Borrower has remedied such Event of Default, (b) the date on which the Indebtedness has been paid in full, and (c) the Maturity Date or Facility D Maturity Date, if and as applicable.

SECTION 8 PREPAYMENT

8.1 Subject to payment of interest in accordance Section 7.4, if applicable, the Borrower shall have the ability:

- (a) to prepay all (and only all) of the Indebtedness outstanding at any time in relation to Facility A by provision of thirty (30) days' notice and payment of the Interest Rate Differential;
- (b) to prepay some or all of the Indebtedness outstanding at any time in relation to Facility B and Facility D in accordance with the payment process set forth in Section 9 below for such Credit Facilities, without any further notice, bonus or penalty,

provided however, that any partial prepayment shall in no way release the Borrower from its obligation to make any payments required pursuant to the provisions of the Security or this Agreement.

SECTION 9 PAYMENT PROCESS

9.1 All sums to be paid to the Lender in respect of Facility A and Facility D pursuant to this Agreement, whether for principal, interest or otherwise, shall be paid to the Lender by way of pre-authorized withdrawal. The Borrower has provided the Lender with an executed pre-authorized debit form to allow the Lender to charge all the payments due and payable under this Agreement.

9.2 All sums to be paid to the Lender in respect of Facility B pursuant to this Agreement, whether for principal, interest or otherwise, shall be paid to the Lender by way of an authorization and direction from the Borrower specifying the date and the amount of the applicable payment and permitting the Lender to withdraw the amount of any such payment to the Lender. The Borrower will from time to time provide such further authorization or other authorization or direction as required to allow the Lender to charge or be paid, as applicable, all the payments due and payable under this Agreement within the time specified for such payment in Section 6.

SECTION 10 FEES

10.1 Mantle has paid to the Lender, on or prior to the Closing Date, \$45,000 of the Commitment Fee in respect of the Credit Facilities (less any non-refundable upfront portion of the Commitment Fee which has been previously paid by the Borrower prior to the Closing Date as acknowledged and received by the Lender). The remaining \$50,000 of the Commitment Fee has been added to and forms part of the Facility A Principal and shall be payable during the course of this Agreement as such.

SECTION 11 SECURITY

11.1 To secure the due and punctual payment of the Indebtedness, and to secure the due and punctual performance of each of the Loan Parties' and the Parent Group's obligations and covenants hereunder, each of the Loan Parties and the Parent Group have, as applicable, executed, or shall execute and deliver, or cause to be executed and delivered to or assigned in favour of the Collateral Agent, or the Lender, as required herein, the Security.

- 11.2 The Security includes the following documents and instruments in favour of the Collateral Agent or Lender, as applicable, all in form and substance satisfactory to the Lender and subject only to Permitted Encumbrances:
- (a) the Assumption and Confirmation Agreement;
 - (b) an amended and restated collateral agency agreement among the Lender and Mantle, amending and restating the Existing Collateral Agency Agreement in its entirety;
 - (c) a general security agreement from Mantle in favour of the Lender granting a first ranking security interest in all of its present and after-acquired property, assets and undertaking;
 - (d) an unlimited guarantee from JMB in respect of the Borrower's Indebtedness owing to the Lender;
 - (e) a general security agreement from JMB in favour of the Lender granting a first ranking security interest in all of its present and after-acquired property, assets and undertaking;
 - (f) an unlimited guarantee from 216 in respect of the Borrower's Indebtedness owing to the Lender;
 - (g) a general security agreement from 216 in favour of the Lender granting a first ranking security interest in all of its present and after-acquired property, assets and undertaking;
 - (h) an assignment of Material Agreements (other than the Crestmark Documents and the Travelers Documents) granted by Mantle in favour of the Lender, in respect of, without limitation, each aggregate royalty agreement to which a Loan Party is a party, together with the interest in the Lands subject thereto created thereby, including the aggregate royalty agreements identified in Schedule "G" hereto;
 - (i) acknowledgments or notices, as required by the Lender, of the assignment of Material Agreements set forth in Subsection 11.2(h), from each of the landlords under the aggregate royalty agreements identified in Schedule "G" hereto;
 - (j) a mortgage of lease granted by JMB in favour of the Collateral Agent in respect of certain surface material leases granted by the Crown to JMB, including those surface material leases identified in Schedule "G" hereto held by JMB (the "**JMB SMLs**");
 - (k) conditional surrender of leases granted by JMB in favour of the Collateral Agent in respect of the JMB SMLs;
 - (l) a mortgage of lease granted by 216 in favour of the Collateral Agent in respect of certain surface material leases granted by the Crown to 216, including those surface material leases identified in Schedule "G" hereto held by 216 (the "**216 SMLs**");
 - (m) conditional surrender of leases granted by 216 in favour of the Collateral Agent in respect of the 216 SMLs;

- (n) a memorandum of agreement among Her Majesty the Queen in right of the Province of Alberta, as represented by Alberta Environment and Parks, and the Collateral Agent;
- (o) landlord waivers and other inter-creditor agreements as may be required by the Lender, including, without limitation, in respect of the Bonnyville Lease; provided that the Loan Parties shall only be required to use commercially reasonable efforts to obtain such agreement;
- (p) a postponement and assignment of creditor's claims and postponement of security executed by each shareholder of the Borrower and/or member of the Parent Group;
- (q) an amended and restated limited recourse guarantee and share pledge agreement of all Equity Interests of the Loan Parties that are owned by the Parent Group, pledged by the Parent Group in favour of the Lender, with all stock transfer power of attorneys in respect thereof endorsed in blank;
- (r) a pledge of all Equity Interests of the Loan Parties that are owned by JMB, pledged by JMB in favour of the Lender, with all stock transfer power of attorneys in respect thereof endorsed in blank;
- (s) an assignment of insurance granted by Mantle in favour of the Lender;
- (t) a certificate of insurance/binder letter showing the Lender as first loss payee pursuant to the Standard Mortgage Clause provisions;
- (u) a blocked accounts agreement with The Toronto-Dominion Bank in respect of the Borrower's deposit accounts, in form satisfactory to the Lender, acting reasonably;
- (v) a priority agreement among Mantle, the Lender and ATB Financial;
- (w) a priority agreement among Mantle, the Lender and Crestmark, a division of MetaBank National Association;
- (x) ~~a subordination agreement among the Borrower, the Parent Group and the Lender, in respect of certain RLF indebtedness under the RLF Debenture (as such terms are defined therein);~~ and the RLF Subordination Agreement;
- (y) such other security against the property and assets of the Loan Parties as may be reasonably required by the Lender.

11.3 The Loan Parties and the Parent Group will from time to time at their expense duly authorize, execute and deliver to the Lender such further instruments and documents and take such further action as the Lender or Collateral Agent, as applicable, may reasonably request for the purpose of obtaining or preserving the full benefits granted or intended to be granted to the Lender or Collateral Agent, as applicable, pursuant to the Security and of the rights and remedies therein granted to the Lender or Collateral Agent, as applicable, including without limitation, the filing of financing statements or other documents under any Applicable Law with respect to the liens created thereby. Unless prohibited by Applicable Law, each of the Loan Parties and Parent Group authorize the Lender or Collateral Agent to file any such financing statement or similar documents without the signature of such Loan Party or Parent Group.

11.4 The Loan Parties and Parent Group acknowledge that changes to Applicable Law may require the execution and delivery of different forms of documentation and accordingly the

Lender or Collateral Agent, as applicable, shall have the right to require that the Security be amended, supplemented or replaced (and the applicable Loan Party or Parent Group shall duly authorize, execute and deliver to the Lender or Collateral Agent, as applicable, on request any such amendment, supplement or replacement with respect to the Security to which such Loan Party or Parent Group is a party): (i) to reflect any change in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise; or (ii) to facilitate the creation and registration of appropriate forms of security in all applicable jurisdictions.

- 11.5 To the extent any of the Loan Parties have previously executed certain Loan Documents in favour of the Lender or Collateral Agent pursuant to the JMB Loan Agreements, each of them (i) reaffirms and agrees that the security interests granted under each such Loan Document to which it is a party are continuing, with the ranking that it is expressed to have (as applicable), continue as collateral security for the prompt and complete payment when due (whether at stated maturity, by acceleration or otherwise) of all Obligations under the Credit Facilities and are and shall remain in full force and effect, except as amended hereby, and (ii) acknowledges and reaffirms all obligations owing by each of them to the Lender under the Loan Documents as amended hereby.

SECTION 12 CONDITIONS PRECEDENT AND EFFECTIVENESS

- 12.1 The effectiveness of this Agreement on the initial Closing Date is subject to and conditional upon the prior satisfaction of the following conditions precedent:
- (a) at or prior to the Closing Date, no Event of Default shall have occurred and be continuing;
 - (b) Mantle shall have obtained from the Court:
 - (i) a sale approval and vesting order from the Court in respect of the Transaction vesting in Mantle the property and assets purchased pursuant to the Purchase Agreement free and clear of all Encumbrances other than Permitted Encumbrances;
 - (ii) an order vesting all Remaining JMB Assets and Remaining JMB Liabilities (as such terms are defined in the Purchase Agreement) in 216, but subject to any Encumbrances attaching thereto; and
 - (iii) an order sanctioning the Plan;
 - (c) the Lender shall have received this Agreement, the other Loan Documents (including, without limitation the Security in Section 11 and any necessary consents or subordinations of third parties as may be required by the Lender) and all other documentation related hereto and thereto duly executed and delivered by the Loan Parties and in form and substance satisfactory to the Lender and its legal counsel;
 - (d) the Lender shall have received the Purchase Agreement, the Plan and all other documentation related thereto and to the Transaction duly executed and delivered by the Loan Parties, in form and substance satisfactory to the Lender and its legal counsel;
 - (e) the Lender shall have first ranking security over all Property of the Loan Parties pursuant to the Security, subject only to Permitted Encumbrances, and the Loan Documents (other than those expressly permitted to be delivered or registered on a post-closing basis) shall have been registered, recorded or filed in all jurisdictions deemed necessary by the Lender and its legal counsel;

- (f) the Lender shall have received certificates representing all Pledged Securities and endorsements executed in blank relating to those certificates;
- (g) the Lender shall have received an undertaking from the Parent Group committing to make a minimum \$3,500,000 cash equity contribution to Mantle by the first anniversary of the Closing Date, or by such other date or amount as may be agreed to in writing by Mantle, the Parent Group and the Lender;
- (h) the Lender shall have received payment in full from Mantle of all reasonable legal fees and out of pocket expenses of legal counsel to the Lender, up to the amount of One Hundred Thousand (\$100,000) Dollars, which have become due in respect of the preparation of the loan documentation in connection with the Credit Facilities (for greater certainty such legal fees shall not include any legal fees of the Lender in connection with the CCAA Proceedings), and the Lender shall have received payment in full from Mantle the balance of the Commitment Fee;
- (i) at the Lender's discretion, but subject to Permitted Encumbrances, the Lender shall have received from all of the secured creditors who have registered against a Loan Party pursuant to the PPSA appropriate discharges or acknowledgments in favour of the Lender, in a form acceptable to the Lender, specifying the collateral which is the subject matter of such registration in its favour;
- (j) the Lender shall have completed to its satisfaction (at its sole and absolute discretion) its due diligence of the Loan Parties and be reasonably satisfied with, without limitation: (i) the organizational, legal, management and capital structure of the Loan Parties, (ii) the nature and status of all insurance, material contractual obligations, securities, labour, tax, employee benefit (including pension plan), regulatory and environmental and health and safety matters, (iii) the structure, steps in connection with and tax effect of any transactions contemplated by this Agreement, (v) anti-money laundering due diligence in respect of the Loan Parties, and (vi) any other matters involving or affecting any Loan Party as is required to be disclosed in this Agreement as at the Closing Date, and in connection therewith, the Lender shall have received true and complete copies of all relevant documents relating thereto;
- (k) the Lender shall have received copies of all Leases between the Loan Parties and their landlords in respect of the premises operated by it and the Lender shall be satisfied with them in its sole discretion;
- (l) the Loan Parties shall have delivered or cause to be delivered to the Lender, as requested by the Lender, all documentation and other information required under Anti-Terrorism Laws by any Governmental Authority including, without limitation, "know your customer" rules and regulations;
- (m) the Loan Parties, as applicable, shall have delivered to the Lender and their solicitors in form and substance satisfactory to the Lender, acting reasonably:
 - (i) a certificate of each Loan Party, certifying as to its constating documents and bylaws (copies of which shall be attached to such certificate), a list of its officers and directors with specimens of the signatures of those who are executing Loan Documents on its behalf, and the corporate or equivalent proceedings taken to authorize it to execute, deliver and perform its obligations under the Loan Documents and such other corporate information as the Lender may reasonably require;

- (ii) a certificate of status, compliance, good standing or similar certificate for the jurisdiction of incorporation of each Loan Party and for each jurisdiction where any such Loan Party carries on business or where registrations or filings in relation to the Security made by that Loan Party have been effected;
 - (iii) currently dated opinions, addressed to the Lender in form and substance satisfactory to the Lender and Lender's counsel, acting reasonably and in accordance with customary opinion practise, from counsel for the Loan Parties, and such other local counsel to the Loan Parties as the Lender may reasonably require and opining to such matters as the Lender or its solicitors may require; and
 - (iv) such additional supporting documents as the Lender or its counsel may reasonably request;
- (n) the Lender shall have received certificates of insurance or other evidence that the covenants and conditions of the Loan Documents concerning insurance coverage are being complied with;
- (o) the Loan Parties (as at such time) shall have delivered to the Lender a certificate signed by an authorized officer of each Loan Party to the effect that as at the date of the Closing Date:
- (i) all of the representations and warranties of the Loan Parties herein shall be true and correct on and as of the Closing Date as though made on and as of such date; and
 - (ii) no other event shall have occurred that, in the Lender's sole discretion, materially adversely affects or could have a Material Adverse Effect.
 - (iii) all conditions precedent contained in this Agreement and the other Loan Documents to be observed or performed by the Loan Parties have been observed or performed; and
 - (iv) at or prior to the Closing Date, no Event of Default shall have occurred and be continuing;
- (p) all necessary governmental and third party consents and approvals necessary in connection with this Agreement and the transactions contemplated hereby, including the Transaction, shall have been obtained (in form and substance reasonably acceptable to the Lender) and shall remain in effect. All applicable government filings shall have been made and all applicable waiting periods shall have expired without in either case any action being taken by any competent authority; and no law or regulation shall be applicable in the judgement of the Lender that restrains, prevents or imposes materially adverse conditions upon this Agreement or the transactions contemplated hereby;
- (q) the Lender must have received consents that are required from the directors, shareholders, partners or members of the Loan Parties, either in connection with the pledges of Pledged Securities or in connection with any disposition of the Pledged Securities upon enforcement of the Security; and
- (r) the Lender having received all fees required pursuant to this Agreement.

SECTION 13 AFFIRMATIVE COVENANTS

13.1 Each Loan Party covenants and agrees that they each shall:

- (a) with respect to the Borrower, it will duly and punctually repay to the Lender amounts owing pursuant to the Credit Facilities and interest thereon, as applicable, as provided in this Agreement and all other sums payable pursuant to the terms of this Agreement, on the dates, at the places, in the monies and in the manner provided for in the Loan Documents;
- (b) perform, observe and comply at all times with the covenants, terms, conditions, stipulations and provisos of the Loan Documents and other reasonable requirements stipulated by the Lender from time to time;
- (c) upon request of the Lender, execute and deliver or cause to be executed and delivered to the Lender such further and other documents, agreements, opinions, conveyances, mortgages, assignments, pledges and assurances from time to time as the Lender or its solicitors may reasonably require for the purpose of protecting or perfecting the Security, including any after acquired property whether or not now charged under the Security, all to be in such form and to contain such terms and conditions as may be required by the Lender's solicitors;
- (d) fully and effectually maintain and keep maintained the Security hereby created as valid and effective security at all times;
- (e) execute as required, and deliver to the Lender such other instruments of security, assurances and documentation as the Lender may require in accordance with the terms and conditions of Loan Documents, including, but not limited to, agreements for the benefit of the Lender from landlords of leased Premises designated by the Lender in which any Loan Party carries on business and from counterparties to material contracts and material permits designated by the Lender, all of which instruments of security, evidences of indebtedness and documents shall be in such form and shall contain such terms and conditions as may be required by the Lender's solicitors;
- (f) repair and keep in repair and good order and condition all buildings, erections, machinery and other plant and equipment and appurtenances thereto, the use of which is necessary or advantageous in connection with its business, up to a modern standard of usage and maintain the same consistent with the best practice of other corporations having similar undertakings; renew and replace all and any of the same which may be worn, dilapidated, unserviceable, obsolete, inconvenient or destroyed or may otherwise require renewal or replacement and at all reasonable times allow the Lender or its representative access to its premises in order to view the state and condition the same are in and in the event of any loss or damage thereto or destruction thereof, the Lender may give notice to the Borrower to repair, rebuild, replace or reinstate within a time to be determined by the Lender and to be stated in such notice and upon such Loan Party failing to so repair, rebuild, replace or reinstate within such time, such failure shall constitute default hereunder, and will keep all of its assets in good condition and repair and maintain and replace as required according to the nature thereof;
- (g) keep in good repair and free from all Encumbrances, other than the Security and Permitted Encumbrances, of any nature whatsoever any and all Chattels which are now or which may in the future be used either directly or indirectly in the operations and business of the Loan Parties;

- (h) duly and punctually pay all debts and obligations to or on behalf of or in respect of workmen, employees and others which, if unpaid, might under the laws of Canada or of the Province of Alberta (or the equivalent legislation applicable in the State of Washington) priority over the Security hereby created or any part thereof;
- (i) promptly pay the full amount of:
 - (i) any reasonable charges by or expenses of the Lender in inspecting, protecting or valuing each Loan Party's assets;
 - (ii) all costs, fees, disbursements, charges and expenses, including all reasonable legal fees and disbursements incurred by the lender as between a solicitor and its own client in connection with the Credit Facilities, the preparation, execution and registration as appropriate, of any Loan Document; in investigating or perfecting title to each Loan Party's assets and the capacity of each Loan Party to borrow the money secured hereby; in preparing and registering the Security, and all documents incidental or collateral hereto; in advancing any portion of the monies secured under the Security, in taking, recovering and keeping or attempting to procure possession of each Loan Party's assets or any part thereof; in enforcing or attempting to enforce the personal remedies or any other remedies available under the Security; in collecting or attempting to collect any of the monies secured under the Security; in realizing or attempting to realize on any Security collateral hereto; in any foreclosure or other proceedings, judicial or otherwise, to protect each Loan Party's assets or to realize on the Security or any part thereof; or in connection with any receivership and if a solicitor is retained in connection with any of the foregoing, such solicitor's fees and disbursements shall be paid on a solicitor and his own client basis and, at the option of the Lender, on the basis of a lump sum bill; and if any other professional person or firm is retained or employed such person's or firm's fees shall be paid on the basis of his or its normal professional charges; and
 - (iii) all other reasonable costs and expenses of the Lender incurred in connection with the Credit Facilities;
- (j) pay or cause to be paid all sums that become due by a Loan Party to any person, subject to the obligation of such Loan Party to make payments to the Lender hereunder;
- (k) pay or cause to be paid all business taxes as and when the same become payable and upon request produce to the Lender receipts thereof;
- (l) make or cause to be made all payments required pursuant to any mortgage, charge or Encumbrance which has priority to any of the Security;
- (m) maintain insurance on all of its assets and properties with financially sound and reputable insurance companies against such perils as is usual with corporations holding similar assets and properties and in an amount not less than their full insurable value, as required herein, and is acceptable to the Lender and its solicitors and provide proof of same to the Lender;
- (n) maintain public liability insurance with financially sound and reputable insurance companies as is usual for corporations conducting businesses similar to the Borrower and as is acceptable to the Lender and its solicitors and provide proof of same to the Lender;

- (o) forthwith upon request furnish at its own expense, a certificate of a competent appraiser or other competent person selected by the Lender as to the sufficiency or otherwise of any insurance and as to the type and amount thereof;
- (p) provide upon request any information, whether financial or otherwise, which the Lender may reasonably require from time to time;
- (q) keep adequate records and books of account in accordance with Generally Accepted Accounting Principles and permit, upon reasonable notice by the Lender to the Borrower, the Lender by its agents, accountants and solicitors to enter upon the premises of a Loan Party and examine such Loan Party's records and books of account and make extracts therefrom and to discuss the records and books of account with officers of such Loan Party at such reasonable times as may be required by the Lender;
- (r) upon reasonable notice by the Lender to the Borrower, permit the Lender its servants and agents, to enter at all reasonable times into and upon the Lands and premises owned or occupied by a Loan Party and view the state and condition thereof and of all such Loan Party's Collateral;
- (s) give to the Lender prompt and immediate notice of any statement of claim, petition writ or other Court process, or distress or seizure that may affect a Loan Party, where such claim, petition writ or Court process advances claims or affects assets of Loan Party in an amount in excess of One Hundred Thousand (\$100,000) Dollars;
- (t) give written notice to the Lender of the occurrence of an Event of Default hereunder or of any other event which, with the giving of notice or the lapse of time, would constitute an Event of Default hereunder, forthwith upon the happening of such occurrence and provide the Lender with details of the action taken or proposed to be taken such Loan Party to remedy same;
- (u) maintain its corporate existence and do all such acts as are required in order to permit it to legally carry on its business;
- (v) carry on and conduct the business of the Loan Parties in a proper and efficient manner;
- (w) do, observe and perform or cause to be done, observed and performed all of its obligations and all matters and things necessary or expedient to be done, observed or performed under or by virtue of any law of Canada or any province or municipality thereof, including, but not limited to, any law pertaining to workplace health and safety and Environmental Laws;
- (x) ensure that the Lands remain in compliance with all Environmental Laws and shall not place or permit to be placed any Hazardous Substances on the Lands except as permitted by Applicable Law or an appropriate Governmental Authority;
- (y) shall maintain a system to assure and monitor continued compliance with all applicable Environmental Laws which system shall include periodic review of such compliance and maintain current all environmental remediation payments;
- (z) (A) employ in connection with the use of the Lands appropriate technology necessary to maintain compliance with any applicable Environmental Laws and (B) dispose of any and all Hazardous Waste generated at the Lands only at facilities

and with carriers that maintain valid permits under applicable Environmental Laws. The Loan Parties shall use their best efforts to obtain certificates of disposal, such as hazardous waste manifest receipts, from all treatment, transport, storage or disposal facilities or operators employed by the Loan Parties in connection with the transport or disposal of any Hazardous Waste generated at the Lands;

- (aa) in the event a Loan Party obtains, gives or receives notice of any release or threat of release of a reportable quantity of any Hazardous Substances at the Lands (any such event being hereinafter referred to as a "**Hazardous Discharge**") or receives any notice of violation, request for information or notification that it is potentially responsible for environmental investigation, study, audit, remedial response, or cleanup order or decrees of environmental conditions at the Lands, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Lands or any Loan Party's interest therein (any of the foregoing is referred to herein as an "**Environmental Complaint**") from any Person, including any Governmental Authority responsible in whole or in part for enforcement of Environmental Laws where the Lands are located, then the Borrower shall, within five (5) Business Days, give written notice of same to the Lender, detailing facts and circumstances of which any Loan Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow the Lender to protect its security interest in the Lands and the Collateral and is not intended to create nor shall it create any obligation upon the Lender with respect thereto;
- (bb) respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in response thereto in order to safeguard the health of any Person and to avoid subjecting the Collateral or Lands to any Encumbrance;
- (cc) pay all statutory payroll source deductions when due and immediately advise the Lender of any source deductions that are unremitted;
- (dd) on request by the Lender, the Borrower shall give Canada Revenue Agency and other Governmental Authorities written authorization to disclose to the Lender the status of any priority claims;
- (ee) will pay all premiums and sums of money necessary in relation to any policy or policies of insurance maintained by a Loan Party as the same shall become due;
- (ff) within 10 Business Days of creating or acquiring any Subsidiary (or in the case of the Parent Group, any Subsidiary which carries on business in North America the same as, similar to or related to the Borrower's business), the Borrower or the Parent Group, as applicable, will cause such Subsidiary to provide the Security required by Section 11 and such other Security as the Lender may reasonably require, in each case, in form and substance acceptable to the Lender, acting reasonably, together with such other supporting documentation and legal opinions as the Lender may reasonably require. The Borrower or the Parent Group, as applicable, will notify the Lender upon the creation or acquisition of any new Subsidiary promptly upon the creation or acquisition thereof, and in any event, no later than 10 Business Days after any such creation or acquisition; and
- (gg) promptly cure or cause to be cured any defects in the execution and delivery of any of the Loan Documents or any defects in the validity or enforceability of any of the security agreements and at their expense (to the extent the Borrower was responsible for any such defect or default), execute and deliver or cause to be executed and delivered, all such agreements, instruments and other documents as

the Lender may consider necessary or desirable, acting reasonably, for the foregoing purposes.

SECTION 14 NEGATIVE COVENANTS

14.1 Each Loan Party covenants and agrees that it shall not, without the prior written approval of the Lender first had and received:

- (a) permit any material change in a Loan Party's business or operations;
- (b) except as it pertains to the Lands or the Fiera Equipment, sell or otherwise dispose of any of its assets – outside the ordinary course - by conveyance, transfer, lease or otherwise where net proceeds from any sale or disposition of assets unless:
 - (i) for a conveyance, transfer or lease less than Two Hundred Fifty Thousand (\$250,000.00) Dollars: the net proceeds of such conveyance, transfer or lease are reinvested in the business of the Loan Party within one hundred eighty (180) days; or
 - (ii) for a conveyance, transfer or lease equal to or greater than Two Hundred Fifty Thousand (\$250,000.00) Dollars: the Lender has provided prior approval for such conveyance, transfer or lease and no Event of Default has occurred or will result from such conveyance, transfer or lease;
- (c) sell or otherwise dispose of the Lands, or any portion thereof, by conveyance, transfer, lease or otherwise;
- (d) other than in relation to the Security, Permitted Future Finance Leases and Permitted Encumbrances, create, assume or permit to exist any Encumbrance on any of the Collateral;
- (e) at any time that:
 - (i) the Debt Service Coverage is less than 2:1, make any Distribution except with the express written consent of the Lender; and
 - (ii) the Debt Service Coverage is equal to or greater than 2:1, make any Distribution where an Event of Default has occurred and is continuing or the making of such Distribution would result in the occurrence of an Event of Default;other than those Distributions which are made by payment in additional Equity Interests or are otherwise not paid or payable in cash;
- (f) make any payments or transfer any of their undertaking, properties, rights or assets to any person without due consideration which in any manner diverts, or could result in the diversion of, assets and/or opportunities of a Loan Party to such other person;
- (g) reduce its capital or make any distribution of assets (other than Distributions permitted under subsection (e) above);
- (h) redeem or purchase any of its present or future outstanding Equity Interests or otherwise retire or pay off any such Equity Interests;

- (i) do or suffer anything to be done whereby any policy or policies of insurance maintained by a Loan Party may become vitiated; if such Loan Party shall fail to insure or cause to be insured all of its assets or any part thereof, or to pay or cause to be paid the premiums with respect to such insurance or to deliver the policies or contracts as aforesaid or if the Lender receives notice of the intended cancellation of any such policy or contract, the Lender shall be entitled to insure all of its assets, provided however that the Lender shall not be bound to insure all of its assets or, in the event of insuring all of its assets to insure any other than the interest of the Lender only, or to see to the payment of the premiums on any policy or be liable or responsible for any loss arising out of any defect in any policy or failure of any insurance company to pay for any loss thereunder;
- (j) make a loan to or investments in any person (other than to another Loan Party);
- (k) lend any amount to any shareholder, director or officer of a Loan Party (other than to another Loan Party) or person whose relationship to them is non-arms-length as that term is defined in the *Income Tax Act* (Canada) or lend any amount to any other person, firm or corporation, other than in the ordinary course of such Loan Party's business;
- (l) other than in relation to the Loan Documents, become a guarantor of any obligation nor become endorser in respect of any obligation or otherwise become liable upon any note or obligation of any nature or kind whatsoever except for the benefit of the Lender;
- (m) surrender its Certificate of Incorporation, voluntarily wind up its business or take any other steps toward discontinuance of its business;
- (n) change its present Fiscal Year;
- (o) change its name, or the location of its place of business, if it has only one place of business, or its chief executive office without giving the Lender 30 days prior written notice;
- (p) merge, amalgamate or consolidate with or into any other person or corporation, or enter into any transaction or proceeding (whether by way of amalgamation, merger, winding-up, consolidation, arrangement, plan or arrangement, reorganization, transfer, sale, lease or otherwise) whereby any of their undertaking, properties, rights or assets would become the property of any other person or entity, or in the case of amalgamation, of the continuing corporation resulting therefrom, other than a merger, amalgamation, consolidation, transaction or proceeding where the Borrower gives prior written notice thereof to the Lender and the effect thereof is that the Borrower sells all or substantially all of its assets, or the Parent Group ceases to be the holder of the Equity Interests in the Borrower; provided that, the Lender is satisfied with the terms and structure thereof, and such purchaser of the assets, or the Person proposed to be the holder of the Equity Interests, if applicable, provides satisfactory evidence to the Lender (in its sole discretion) that it is financially and operationally able to perform or cause the performance of the terms reflected hereby and the Security contemplated herein, and/or the Parent Group, Loan Parties, and continuing corporation shall grant in favour of the Lender such new and/or replacement Security to the satisfaction of the Lender, including, without limitation, a reaffirmation and confirmation in respect of the Security, and a new limited recourse guarantee and pledge of equity interests with stock transfers endorsed in blank, and deliver replacement share certificates in respect thereof within 10 days of such reorganization ("**Permitted Restructuring**");

- (q) destroy any of its material financial records;
- (r) enter into any contract or arrangement of any nature or kind which would, or would reasonably be expected to, materially adversely affect the Borrower's assets and the Security;
- (s) make unfinanced capital expenditures in any Fiscal Year in excess of the sum of Two Hundred Fifty Thousand (\$250,000) Dollars;
- (t) during the term of this Agreement, have Purchase Money Obligations or Finance Lease Obligations having annual payment obligations of more than \$2,000,000.00 in the aggregate without prior written consent of the Lender;
- (u) remove any Chattels forming part of each Loan Party's assets from the Province of Alberta;
- (v) permit a Loan Party to default in its obligations pursuant to any Material Agreement which is not waived or, if applicable, cured within the permitted time period provided under such Material Agreement;
- (w) incur or repay any Funded Debt, other than pursuant to or as otherwise expressly permitted under this Agreement, except for Funded Debt secured by the Permitted Encumbrances or any arm's length trade debts, obligations or other liabilities incurred in the ordinary course of business; and
- (x) do any other act that by the terms of the Loan Documents it is not permitted to do unless the applicable term of such Loan Document is inconsistent with the terms hereof.

SECTION 15 FINANCIAL COVENANTS

15.1 During the term of this Agreement, the Borrower covenants with the Lender that ~~commencing April 1, 2022:~~

- (a) the ratio of Total Senior Funded Debt to EBITDA shall at all times within such specified period, but tested on a rolling four quarter and consolidated basis, be equal to or less than:
 - (i) ~~10.00:1~~ 170.00:1 as at June 30, ~~2022;~~
 - (ii) ~~7.50:1 as at September 30, 2022;~~
 - (iii) ~~14.50:1 as at December 31, 2022;~~
 - (iv) ~~13.50:1 as at March 31, 2023;~~
 - (v) ~~12.50:1 as at June 30, 2023; and~~
 - (ii) ~~(vi) 6.50:~~ 18.50:1 as at September 30, 2023; and
 - (iii) 6.50:1 as at December 31, 2023.
- (b) the ratio of Debt Service Coverage shall at all times, but tested on a rolling four quarter and consolidated basis, be equal to or greater than:
 - (i) ~~0.50:~~ 10.10:1 as at June 30, ~~2022;~~

~~(ii) 0.50:1 as at September 30, 2022;~~

~~(iii) 0.25:1 as at December 31, 2022;~~

~~(iv) 0.25:1 as at March 31, 2023;~~

~~(v) 0.75:1 as at June 30, 2023; and~~

(ii) ~~(vi)~~ 1.25:1 as at September 30, 2023; and

(iii) 1.25 as at December 31, 2023.

(c) the Current Ratio shall at all times, but tested on a quarterly basis, be equal to or greater than:

~~(i) 1.00:1 as at June 30, 2022;~~

~~(ii) 1.00:1 as at September 30, 2022;~~

~~(iii) 1.25:1 as at December 31, 2022;~~

~~(iv) 1.25:1 as at March 31, 2023;~~

(i) ~~(v)~~ 1.00:1 as at June 30, 2023; and

(ii) ~~(vi)~~ 1.00:1 as at September 30, 2023; and

(iii) 1.00:1 as at December 31, 2023.

15.2 Prior to ~~September 30,~~December 31 2023, the Borrower and the Lender agree to set additional thresholds for the above noted financial covenants, based on such financial statements, projections, other information and documentation of the Borrower as the Lender may reasonably require.

SECTION 16 REPORTING

16.1 The Loan Parties shall, in a form and manner prescribed by the Lender (which may include by e-mail), deliver to the Lender the following, signed by a senior officer of the Borrower all in form, scope and substance acceptable to the Lender, acting reasonably:

(a)

(a) audited financial statements of the Borrower within one hundred and twenty (120) days of the end of the Fiscal Year, along with a report showing calculations of financial covenants and a Compliance Certificate signed by an officer of the Borrower;

(b) unaudited internally prepared, monthly financial statements of the Borrower within thirty (30) days of the end of each month, along with a report showing calculations of financial covenants, a Compliance Certificate and a comparison to budget and the same period for the year previous signed by an officer of the Borrower is to be included with the reporting package;

(c) a business plan and monthly operating budget for the coming Fiscal Year within thirty (30) days of the end of each Fiscal Year, including a financial forecast,

including income statements, capital expenditures statements, capital expenditure, budget, balance sheet, cash flow, detailed list of assumptions and projected compliance ratios along with (after the first Fiscal Year) management discussion and analysis of any deviation of more than 10% from the prior Fiscal Year;

- (d) a report setting out the sales by the Borrower of Aggregate in the last month and the proceeds of sale of Aggregate actually received in the last month by the Borrower within thirty (30) days of each month end;
- (e) a report on all equipment (as defined in the Alberta *Personal Property Security Act*) purchased and sold which has a purchase or sale price, as applicable, in excess of \$50,000, including costs incurred in such sales and application of proceeds of sale, within one hundred and twenty (120) days of the end of the Fiscal Year;
- (f) a compliance report signed by an officer of the Borrower within thirty (30) days of the end of each month, the effect that full payment has been made of all source deductions (employee deductions, CPP, employment insurance and goods and services tax) required by the applicable government authority have been paid in full and there are no principal interest arrears, all property taxes have been paid and Borrower is in full and complete compliance with conditions of its Funded Debt;
- (g) such additional financial information with respect to the Borrower as and when reasonably requested by the Lender; and
- (h) forthwith, particulars of any occurrence which constitutes an Event of Default, or of any action, suit or proceeding, pending or to the Borrower's knowledge threatened against the Borrower.

16.2 The Lenders shall be entitled to have an observer present at all meetings of the Board of Directors of the Borrower and shall be provided no less than 48 hours' notice of any board meeting. All costs incurred by Lender attending board meetings accrue to the account of Lenders, other than with respect to any meetings of the Board of Directors held by way of a web based video conference system or conference call.

SECTION 17 REPRESENTATIONS

17.1 Each Loan Party represents and warrants that:

- (a) each Loan Party: (i) is a corporation or company has been duly incorporated, amalgamated or continued, as the case may be, and is validly subsisting as a corporation or company and qualified to do business under the laws of its jurisdiction of incorporation, amalgamation, or continuance, as the case may be, (ii) that is not a corporation or company has been duly created or established as a partnership, limited partnership, trust or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) has not adopted or designated any name (including any French name) except as set forth on Schedule "H";
- (b) each Loan Party is in compliance with all material laws, regulations and orders of any Governmental Authority applicable to it or its property and all material indentures, agreements and other instruments binding upon it or its property;
- (c) each Loan Party has full power, authority and capacity to execute and deliver the Loan Documents to which it is party and to carry out the transactions contemplated herein and therein, all of which have been duly and validly authorized by all

necessary corporate proceedings and that the documents hereinbefore referred to have been duly executed and delivered by such Loan Party;

- (d) neither the execution nor delivery of a Loan Document, nor the fulfillment of or compliance with the terms and provisions thereof will contravene any provision of law, including, without limitation, any statute, rule, regulation, judgment, decree, order, franchise or permit applicable to a Loan Party or conflict with or result in a material breach of the terms, conditions or provisions of or constitute a default under any agreement or instrument to which such Loan Party is now a party or by which any of its property or assets may be bound or affected;
- (e) each Loan Document constitutes legal, valid and binding obligations of the each Loan Party enforceable in accordance with their respective terms, except as enforceability may be limited by general principles of equity and by bankruptcy and insolvency laws;
- (f) except as disclosed to the Lender in Schedule "J", to the best of its knowledge and belief, there are no pending or threatened actions or proceedings before any Court or administrative agency which may materially adversely affect the financial condition or operations of the Loan Parties;
- (g) the contents of all documents furnished to the Lender by or on behalf of a Loan Party to induce the Lender to lend the monies hereunder are true and correct in all material respects and accurately set out all the facts contained therein and do not omit any fact necessary in order to make such information not misleading in any material way;
- (h) all financial information and statements which have been delivered to the Lender are true and accurate and have been prepared in accordance with Generally Accepted Accounting Principles consistently applied and fairly represent the financial position of the person or entity which each purports to reflect and the financial position so reflected has not suffered, or could not reasonably be expected to have suffered, either individually or in the aggregate, any Material Adverse Effect to the date hereof;
- (i) other than in relation to Permitted Encumbrances, each Loan Party and its assets are not a party to or bound by any contract, agreement or undertaking or subject to any restriction in constating documents or to any other corporate, contractual or personal restriction or inhibition howsoever imposed that would materially or adversely affect the business, property, assets or financial condition of such Loan Party;
- (j) each Loan Party lawfully owns and is lawfully in possession of all of its assets and that it has a good right and lawful authority to grant, convey, assign, transfer, hypothecate, mortgage, pledge and charge its assets as provided herein and in the Security;
- (k) other than in relation to the Permitted Encumbrances, there are no Encumbrances of any nature or kind in existence or promised which are in any manner capable of becoming registered so as to give priority of same to the detriment of the Security;
- (l) there are no outstanding judgments or awards against the Loan Parties, except as have been disclosed to the Lender in writing;

- (m) except as disclosed to the Lender in Schedule "J", there is no fact known to the Loan Parties which materially or adversely affects or to the extent reasonably foreseeable by the Loan Parties is reasonably expected in the future to materially or adversely affect the business prospects or financial condition of the any of the Loan Parties or their assets;
- (n) each Loan Party has filed all material tax returns which are required to be filed by it and has paid all taxes and claims arising therefrom ranking in priority to the Encumbrances created by the Security (including interest and penalties) which are due and payable, unless such payment is being contested in good faith by appropriate proceedings and adequate reserves, as determined by the Lender acting reasonably, are held in respect thereof;
- (o) the authorized capital of the Loan Parties is as set out in the attached Schedule "C";
- (p) each Loan Party owns, or is licensed to use, all trademarks, tradenames, copyrights, patents or other intellectual property material to its business, and the use thereof by such Loan Party does not infringe upon the rights of any other person;
- (q) (i) as of the date hereof, none of the Loan Parties is in default under any of their respective obligations and, except as disclosed to the Lender in Schedule "J", there are no actions, suits or proceedings, pending or, to their knowledge, threatened, against or affecting any of them and (ii) none of the Loan Parties is in default under any of their respective material obligations and, except as disclosed to the Lender in Schedule "J", there are no material actions, suits or proceedings, pending or, to their knowledge, threatened, against or affecting any of them;
- (r) except as disclosed to the Lender in Schedule "J", none of the Loan Parties are aware of any facts or circumstances that would have a material adverse impact on the value of the Collateral;
- (s) as of the date hereof, both before and after giving effect to (a) the financing transaction to be consummated on the date hereof and (b) the payment and accrual of all fees, costs and expenses in connection therewith, each Loan Party is and will be solvent;
- (t) the ownership structure set out in Schedule "H" accurately reflects the organizational and ownership structure of each Loan Party as at the date hereof. The Relevant Jurisdictions for each of the Loan Parties are set forth on Schedule "H"; and
- (u) no event or circumstance has occurred which has had or could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, which has not been fully and accurately disclosed to the Lender in writing.

17.2 All representations and warranties of the Loan Parties shall be true and accurate as of the date of any advance under the Credit Facilities (other than representations or warranties made as of a specific date) and shall survive the advance of any funds by the Lender to the Borrower or the delivery or registration (if applicable) of the Security and shall continue until the Security has been discharged and released in full by the Lender.

SECTION 18 EVENTS OF DEFAULT

18.1 Each of the following shall constitute an Event of Default:

- (a) if the Borrower shall make default in payment of any principal or interest in regard to the Indebtedness;
- (b) if any Loan Party should default or be in breach of the performance or observance of any part of the covenants, agreements, conditions on the part of such Loan Party to be kept, observed, performed or given hereunder or under the Loan Documents or should any other person, firm, or company being a party to Loan Document fail to carry out or observe any covenant or condition herein or therein on its part to be observed or performed and such deficit or failure is not cured by such Loan Party within thirty (30) days following receipt of notice from the Lender;
- (c) if any representation or warranty made by a Loan Party with respect to a Loan Document or any other information provided in support of the Borrower's application to the Lender for the Credit Facilities is found to be materially incorrect and such incorrect representation or warranty has not remedied within thirty (30) days after written notice of such incorrect representation or warranty is given to the Borrower by the Lender;
- (d) if any Loan Party shall create or attempt to create any mortgage or charge or permit any Encumbrance to be created or arise on any of its assets except a Permitted Encumbrance;
- (e) if a Loan Party should fail to pay any charges, rents, taxes, or rates on leasehold property, or other charges of a like nature, or if a Loan Party fails to observe and perform any of the covenants, payments or conditions in any lease, license, concession, agreement, mortgage, agreement for sale, charge or Encumbrance and such failure or default could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;
- (f) if a Loan Party defaults under any Material Agreement to which it is a party and such failure or breach is not waived, remedied or cured by such Loan Party within thirty (30) days;
- (g) if a Loan Party makes default in the payment of the principal or interest in relation to any other borrowed money, credit facilities or mortgages, and such default is not cured or waived within the earlier of ten (10) Business Days of notice or any applicable cure period provided for thereunder;
- (h) if a Loan Party makes default in the performance of any term, condition or covenant contained in any instrument under which any Funded Debt in an amount exceeding \$100,000 is outstanding and such default is not cured or waived within any applicable cure period provided for thereunder;
- (i) if an order shall be made or an effective resolution passed for the winding-up of a Loan Party or any member of the Parent Group, or if a petition is filed for the winding-up of such Loan Party or member of the Parent Group;
- (j) if a Loan Party or any member of the Parent Group shall make an assignment for the benefit of creditors or be declared bankrupt, or if a custodian or receiver or receiver and manager or other officer with similar powers be appointed with respect to such Loan Party or member of the Parent Group or any of its property or if such Loan Party or member of the Parent Group makes or files a notice of intention to make a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* (or equivalent legislation in the promulgated pursuant to the laws of the United States

of America) as now or hereafter in force or makes any arrangement with its creditors pursuant to the terms of the *Business Corporations Act* of Alberta (or equivalent legislation in the promulgated pursuant to the laws of the United States of America) as now or hereafter in force;

- (k) if a Loan Party ceases or threatens to cease to carry on its business or if such Loan Party or a member of the Parent Group commits any act of bankruptcy;
- (l) if a Loan Party or any member of the Parent Group passes or purports to pass any resolution or takes or purports to take any corporate proceedings which would result in its reorganization, amalgamation or merger with another entity or the transfer of all or substantially all of its assets other than as permitted under this Agreement or with the prior written consent of the Lender, or take proceedings for its dissolution or liquidation;
- (m) if a Loan Party or any member of the Parent Group shall lose its charter by expiration, forfeiture or otherwise or if a receiver or receiver-manager for all or any part of such Loan Party's or member of the Parent Group's assets or any other party with like powers shall be appointed;
- (n) if any execution, distress, sequestration or any other process of any court become enforceable against a Loan Party or any member of the Parent Group or if a distress or analogous process is levied upon the property of such Loan Party or member of the Parent Group or any part thereof, provided however that the Security shall not be enforceable if:
 - (i) such execution, sequestration or other process is in good faith being disputed by such Loan Party or member of the Parent Group;
 - (ii) the Lender does not, in its sole discretion, feel that such execution, distress, sequestration or other process hereinbefore referred to jeopardizes or impairs its security, or prejudices the rights of the Lender; and
 - (iii) at the Lender's request, such Loan Party or member of the Parent Group provides further security which the Lender in its absolute discretion deems sufficient to pay in full the amount claimed in the event that the execution, distress, sequestration or any other process as hereinbefore referred to is held to be valid against such Loan Party or member of the Parent Group;
- (o) except in the ordinary course of business or as permitted pursuant to the Loan Documents, if any assets of a Loan Party are either directly or indirectly (including without limitation by way of transfer or sale of Equity Interests) sold, transferred, assigned, conveyed, removed, alienated or disposed of in any manner whatsoever by such Loan Party or if the Lender, acting reasonably, deems such Loan Party's assets or any part thereof are in danger of being sold, transferred, assigned, conveyed, removed, alienated or disposed of;
- (p) if, without the Lender's prior written consent, there is a Change in Control, other than a Change of Control that constitutes a Permitted Restructuring;
- (q) if a Loan Party defaults under any other loan or mortgage to which it is a party, including, but not limited to, any breach of the Security and any agreement regarding a Finance Lease and such default is not waived or cured;

- (r) if the Security shall cease to be in full force and effect and/or ceases to rank in the priority contemplated herein against the Collateral, or the validity thereof or the applicability thereof to this Agreement or of any of the obligations of a Loan Party thereunder or hereunder shall be disaffirmed by or on behalf of such Loan Party;
- (s) if any default occurs under any other credit, facility or security agreement to which a Loan Party or any member of the Parent Group is a party and such breach continues for ten (10) days after such Loan Party or member of the Parent Group shall have received written notice of same;
- (t) if a Loan Party makes a Distribution except as otherwise permitted hereunder;
- (u) if the Security is or becomes illegal, invalid, prohibited or unenforceable and/or ceases to rank in the priority contemplated herein against the Collateral; and
- (v) if a Material Adverse Change has occurred.

18.2 Upon the happening of any Event of Default, the Lender may, upon written notice to the Borrower, declare the Indebtedness to be immediately due and payable whether with or without prior demand therefore, and the Security shall become enforceable in each and every such event. The occurrence of an Event of Default shall constitute such demand as may be required with respect to any Security and shall be deemed to constitute an Event of Default under any of the Security and the Lender shall thereupon have all rights and remedies available to it at law or in equity consequent thereon, whether arising by virtue the Security, this Agreement or otherwise, including without limiting the generality of the foregoing, the right and power of the Lender to take possession of the undertaking, property and assets of the Borrower and/or appoint a receiver or receiver-manager with respect to such undertaking, property and assets.

SECTION 19 ENVIRONMENTAL INDEMNITY

19.1 Each Loan Party hereby represents and warrants that its business and assets and are operated in compliance with applicable Environmental Laws and that, except as disclosed to the Lender in Schedule "J", to its knowledge, no enforcement action in respect thereof is threatened or pending, and covenants to continue to so operate. If (i) a Loan Party has knowledge of or (ii) if the Lender, at any time, has a reasonable basis to believe that the property of a Loan Party has had a Hazardous Discharge, or remediation work to the Lands is required, including, without limitation, remediation to the Purchased Pits, or is subject to any Environmental Complaint, then each Loan Party shall provide the Lender with such reports, certificates, environmental audits, engineering studies or other written material or data as the Lender, acting reasonably, may require from it so as to satisfy the Lender that the Loan Parties, as applicable, are in compliance with all applicable Environmental Laws. If the Lender is required to expend any funds in compliance with applicable Environmental Laws or court orders in respect thereof in respect of the operations or assets of a Loan Party, each Loan Party shall indemnify the Lender in respect of such expenditures as if an Advance had been made to the Borrower under this Agreement for such purpose.

SECTION 20 PRESERVE SECURITY

20.1 In the event that a Loan Party shall fail to pay or cause to be paid any sum payable by it, whether according to the terms of this Agreement or otherwise, when they become payable, or shall fail to repair or cause to be repaired any buildings or improvements on the Lands, the Lender may, without prejudice to any other rights available to the Lender, pay said sum or make arrangements for such repairs and the Lender may make such other expenditures as it deems necessary so as to protect any Security or to perfect title to any Security and all

sums so expended or Indebtedness incurred by the Lender, together with all costs, charges and expenses, including legal fees as between a solicitor and his client, shall be added to and form part of the Indebtedness and be secured by the Security and bear interest until paid at a rate equal to the rate of interest specified herein.

SECTION 21 SUBORDINATION/INTERCREDITOR ARRANGEMENTS

21.1 Upon the Borrower establishing credit facilities with an operating lender for the sole purpose of financing the operating expenses of the Borrower, the Lender shall, within a reasonable period of time, enter into an inter-creditor agreement with such operating lender to, *inter alia*, address the rank and priority of the operating facilities, and pursuant to which the Lender shall subordinate to such operating lender's interest in the Borrower's accounts receivables and Inventory (but explicitly excluding the proceeds of sale of the Inventory payable to the Lender in accordance with the terms herein to repay the Facility B Principal).

SECTION 22 FURTHER SECURITY

22.1 The Loan Parties and the Parent Group shall forthwith, upon receipt of a request from the Lender therefore, acting reasonably, execute and deliver, or cause to be executed and delivered, to the Lender such further documents and securities and shall do such things as shall be required by the Lender to ensure that the full liability of the Borrower to the Lender shall be secured as reasonably may be required by the Lender.

SECTION 23 DEEMED REINVESTMENT

23.1 It is hereby declared, for the purpose of greater certainty, that the principle of deemed reinvestment of interest shall not affect the calculation of interest payable under this Agreement or the Security.

SECTION 24 LEGAL FEES

24.1 All legal fees and disbursements of the Lender related to the preparation of this Agreement, the other Loan Documents and any amendments, restatements, replacements, extensions or any other modifications thereto, shall be paid by the Borrower within five (5) Business Days of presentation of applicable invoices, and if the Borrower fails to make such payment within the required deadline, the Borrower hereby irrevocably authorizes the Lender to debit the Borrower's account set out in Schedule "D" hereto, for the purpose of making such payment set out in the applicable invoice.

24.2 Each Loan Party, jointly and severally, shall pay, on demand, all costs incurred by the Lender in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting (including legal costs as between a solicitor and his own client on a full indemnity basis and also an allowance for the time, work and expenses of the Lender or of any agent, solicitor or servant of the Lender for any purpose herein provided), together with all sums which the Lender from time to time advances, expends or incurs pursuant to any provision contained in this Agreement or the Security, whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Loan Parties or otherwise, together with interest thereon at the highest rate payable pursuant to this Agreement calculated from the Closing Date or expenditure by the Lender to the date of payment by the Loan Party.

SECTION 25 ENFORCEMENT

25.1 The Lender may at any time after the occurrence of an Event of Default without notice and without any other formality, all of which are hereby waived, enforce any or all of the Security; provided that notwithstanding anything herein or in any of the Security contained, the Lender shall not under any circumstances be bound or obligated to enforce all or any of the Security nor shall the Lender be obligated to collect or cause to be collected any amounts owing in respect of any of the Security.

SECTION 26 NO MERGER

26.1 Nothing in this Agreement, in any of the Security given hereunder or which may be acquired by the Lender with respect to this Agreement, and no act or omission by the Lender with respect to any Loan Document shall in any way prejudice the rights, remedies or powers of the Lender against the Loan Parties with respect to the Indebtedness, or any Security now or hereafter held by the Lender. The Security held by the Lender shall not operate by way of merger of any portion of the Indebtedness of a Loan Party to the Lender hereunder or under any deed, guarantee, contract, draft, bill of exchange, promissory note or other negotiable instrument, or otherwise howsoever, by which the same may now or at any time hereafter arise or be represented or evidenced, and no judgment recovered by the Lender shall merge or in any way affect any of the Security or the Lender's right to interest thereon.

SECTION 27 RIGHT OF APPLICATION

27.1 The Lender may from time to time apply and re-apply (and notwithstanding any previous application) in such manner as it, in its sole discretion sees fit, any monies received by it from a Loan Party or from collections, sales, or realizations of, on or under any Security, other than in respect of Inventory (which shall be applied first to Facility B), after first deducting the charges therefore or any expenses thereof, including costs as between a solicitor and his client, in or toward payment of any portion of the Indebtedness; and any such monies may be held by the Lender unappropriated in a collateral account for such time as the Lender sees fit; and the Loan Parties shall have no right to make or require any appropriation inconsistent with any such application by the Lender; and the taking of a judgment or judgments or any other action or dealing whatsoever by the Lender in respect of any Security given or to be given by the Loan Parties shall not operate as a merger of any other Security given to the Lender or any part thereof, or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which the Lender may have in connection with such Security or the Indebtedness; and the foreclosure, surrender, cancellation, variation or any other dealing with or modification of any Security for such Indebtedness shall not release or affect the liability of a Loan Party for its total Indebtedness or release or affect any other part of the Security held by the Lender.

SECTION 28 TERMINATION

28.1 This Agreement shall continue in full force and effect, notwithstanding that there may be at any time and from time to time no Indebtedness owing, until terminated by the Lender, but this Agreement may be terminated by the Borrower upon written notice delivered to the Lender at any time when there is no Indebtedness or other obligation outstanding to the Lender. Upon termination of this Agreement, the Loan Parties shall be entitled to discharges of all Security then held by the Lender hereunder provided that the cost of preparing, executing, delivering and, if necessary, registering such discharges shall be paid by the Loan Parties, including fees as between a solicitor and his client, provided such expense is permitted by Applicable Law.

SECTION 29 TAXES

29.1 The following shall apply as to taxes payable (excluding income taxes of the Lender):

- (a) any and all payments by or on account of any obligation of a Loan Party hereunder shall be made free and clear of and without deduction for any taxes; provided that if a Loan Party shall be required to deduct any taxes from such payments, then (i) the sum payable shall be increased as necessary so that, after making all required deductions (including deductions applicable to additional sums payable under this Section), the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Loan Party shall make such deductions and (iii) the Loan Party shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.
- (b) in addition, each Loan Party shall pay any such taxes to the relevant Governmental Authority in accordance with Applicable Law.
- (c) each Loan Party shall indemnify the Lender, within 10 days after written demand therefor, for the full amount of any such taxes paid by the Lender, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to a Loan Party by the Lender, shall be *prima facie* evidence absent manifest error.
- (d) if requested by the Lender from time to time, each Loan Party shall deliver to the Lender the original or a certified copy of a receipt issued by the applicable Governmental Authority, a copy of the return reporting payment, or such other evidence reasonably satisfactory to the Lender evidencing payment of taxes by the Loan Party.

SECTION 30 INCORPORATE TERMS

30.1 Subject to Section 31, the terms of the Security form a part of this Agreement as if the terms thereof were expressly and specifically set forth or stated herein.

SECTION 31 CONFLICT

31.1 In the event of any conflict between the terms of this Agreement and the terms of any Security (or for any inconsistency between this Agreement where it is more persuasive or less restrictive than the Security), the provisions of this Agreement shall prevail to the extent necessary to remove such conflict; provided however, that a conflict or inconsistency shall not be deemed to exist only by reason of one of the Agreement or the Security not providing for such matter.

SECTION 32 NOTICES

32.1 Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if:

- (a) personally delivered to the party to whom it is intended or if such party is a corporation to an officer of that corporation; or
- (b) mailed by prepaid registered mail, transmitted by email or delivered, to the address or email of the party to whom it is intended as follows:
 - (i) if to the Loan Parties, then:

Resource Land Holdings, LLC
1400 16th St, Suite 320
Denver, CO 80209

Attention: Byron Levkulich, CFA, CPA, Director
Email: Byron.Levkulich@RLHoldings.com

(ii) if to the Lender, then:

Fiera Private Debt Fund V LP
Fiera Private Debt Fund VI LP
RBC Plaza South Tower
200 Bay Street, Suite 3800
Toronto, Ontario M5J 2T6

Attention: Russell French, Managing Director
Email: rfrench@fieracapital.com

with a copy to:

Fiera Private Debt Inc.
1699, boulevard Le Corbusier, Bureau 400
Laval, Québec H7S 1Z3

Attention: Brian Ko
Email: bko@fieracapital.com

or to such other address or number as a party may from time to time direct in writing.

32.2 Any notice delivered before 4:30 p.m. local time on a day that is not a Saturday, Sunday or statutory holiday in Alberta (a “**Business Day**”) shall be deemed to have been received on the date of delivery and any notice delivered after 4:30 p.m. local time on a Business Day or delivered on a day other than a Business Day, shall be deemed to have been received on the next Business Day. Any notice mailed shall be deemed to have been received seventy two (72) hours after the date it is postmarked. Any notice sent by e-mail before 4:30 p.m. local time on a Business Day shall be deemed to have been received when the sender receives the answer back confirming receipt by the recipient; provided, however, that any e-mail received after 4:30 p.m. local time on a Business Day or received on a day other than a Business Day shall be deemed to have been received on the next Business Day. If normal mail or communications service is interrupted by strike, slow-down, force majeure or other cause after the notice has been sent the notice will not be deemed to have been received until actually received. In the event normal mail service is impaired at the time of sending the notice, then personal delivery or email transmission only shall be effective.

SECTION 33 HEADINGS

33.1 The headings in this Agreement have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

SECTION 34 GOVERNING LAW

34.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

SECTION 35 ADDITIONAL AGREEMENTS

35.1 The Security contains covenants, representations, warranties and events of default to which the Loan Parties shall be bound, in addition to any covenants, representations, warranties and events of default herein contained;

SECTION 36 REVIEW

36.1 The Lender may conduct periodic reviews of the affairs of the Loan Parties, as and when determined by the Lender for the purpose of evaluating the financial condition of the Loan Parties. Each Loan Party shall make available to the Lender such financial statements and other information and documentation as the Lender may reasonably require and shall do all things reasonably necessary to facilitate such review.

SECTION 37 SCHEDULES

37.1 The Schedules attached hereto are incorporated into this Agreement by reference

SECTION 38 TIME OF ESSENCE

38.1 Time shall be of the essence of this Agreement and of every part hereof.

SECTION 39 PAYMENT OF MONIES

39.1 The parties acknowledge and agree that any payment of monies required to be made hereunder shall be made in Canadian funds and that any tender of monies or documents hereunder may be made upon the solicitors acting for the party upon whom the tender is desired and it shall be sufficient that a negotiable bank draft is tendered instead of cash.

SECTION 40 DUE DATE EXTENDED

40.1 The parties acknowledge and agree that if any date for payment of monies hereunder or fulfillment of any obligation hereunder shall fall on a day that is not a Business Day such date for the payment of such monies or fulfillment of such obligation hereunder shall be deemed postponed and extended to the next following Business Day.

SECTION 41 UNENFORCEABLE TERMS

41.1 If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Agreement or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

SECTION 42 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

42.1 The representations and warranties contained herein or made pursuant to this Agreement and all other security documents shall survive until the termination of this Agreement.

SECTION 43 JOINT AND SEVERAL

43.1 Where more than one person is liable as Borrower for any obligation under this Agreement, the liability of each person for such obligation is joint and several with each other such person.

SECTION 44 AMENDMENTS

44.1 This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

SECTION 45 ENTIRE AGREEMENT

45.1 This Agreement and all attachments hereto, the security and any other written agreement delivered pursuant to or referred to in this Agreement constitute the entire agreement among the parties with respect to the subject matter set forth herein or therein and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter thereof.

SECTION 46 COUNTERPARTS; ELECTRONIC SIGNATURE

46.1 This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement and shall become effective when all counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. Each party agrees that the electronic signatures, whether digital or encrypted, of any party included in this Agreement shall be as effective as delivery by the parties of a manually executed copy of this Agreement and is intended to authenticate this writing and to have the same force and effect as manual signatures.

SECTION 47 NO WAIVER

47.1 No consent or waiver, express or implied, by the Lender to or of any breach or default by the Borrower in the performance by the Borrower of its obligations hereunder or under any Security shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by the Borrower. Failure by the Lender to complain of any act or failure to act of the Borrower or to declare the Borrower in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

SECTION 48 ASSIGNMENT

48.1 This Agreement may be assigned by the Lender prior to the occurrence of an Event of Default with the prior written consent of the Borrower and after the occurrence of an Event of Default without consent, in which event the Borrower shall attorn in all respects to such assignment and the assignee thereof. No Borrower may assign this Agreement without the consent of the Lender, provided, however, that the Lender shall upon prior written request by the Borrower provide consent to an assignment of this Agreement in the case of a Permitted Restructuring as approved hereunder.

SECTION 49 SINGULAR, PLURAL AND GENDER

49.1 Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one party.

SECTION 50 ENUREMENT

50.1 This Agreement shall enure to the benefit of and be binding upon the parties hereto and the successors and permitted assigns of the Borrower and the successors and assigns of the Lender.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF the parties have executed the within Agreement on the day and year first above written.

FIERA PRIVATE DEBT FUND V LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:

Name:

Title:

Per:

Name:

Title:

FIERA PRIVATE DEBT FUND VI LP by its
general partner **FIERA PRIVATE DEBT
FUND GP INC.**

Per:

Name:

Title:

Per:

Name:

Title:

MANTLE MATERIALS GROUP, LTD.

Per:

Name:

Title:

Per:

Name:

Title:

Schedule "A"

PERMITTED ENCUMBRANCES

The registrations listed in the attached personal property search results and including the following:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith by appropriate proceedings;
- (b) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested in good faith and by appropriate proceedings;
- (c) easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower;
- (d) any builder's, mechanic's, garageman's, labourer's or materialman's lien or other similar lien arising in the ordinary course of business or out of the construction or improvement of any land or arising out of the furnishing of materials or supplies, provided that such lien secures monies not at the time overdue, or, if due or delinquent, the validity of which is being contested in good faith by appropriate proceedings;
- (e) Encumbrances incidental to the conduct of business or the ownership of property and assets not incurred in connection with the borrowing of money or obtaining credit and which do not, in the aggregate, detract in any material way from the value or usefulness of the property and assets of the Borrower;
- (f) any claim or Encumbrance from time to time consented to by the Lender;
- (g) in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, in the aggregate, will not materially impair the use of such land for the purposes for which such land is held;
- (h) Security Interests or Encumbrances given by the Borrower to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrower;
- (i) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- (j) Security Interests securing a purchase money obligation, provided that (i) such security interests shall attach only to the property acquired in connection with which

such purchase money obligation was incurred and (ii) such purchase money obligation is not prohibited pursuant to Section 14.1(t);

- (k) landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of the Borrower;
- (l) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money), (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Borrower is a party, or (iii) letters of credit or bonds securing the Borrower's reclamation and remediation obligations under surface material agreements and royalty agreements;
- (m) the Security Documents and the Security;
- (n) the Permitted Future Finance Leases;
- (o) the Permitted Future PMOs;
- (p) the Permitted Future Working Capital Security;
- (q) the Permitted Future Subordinated Debt Security; and
- (r) the Security Interest in favour of ATB attaching to the ATB Aggregate and any proceeds thereof, including a real property mortgage (provided the mortgage does not secure Debt for longer than a 4 year term, with payment amounts calculated on the basis of a not shorter than 20 year amortization, and with an interest rate of not greater than 3.5%) granted by Mantle in favour ATB in respect of the lands legally described as:

The North East Quarter of Section Thirty Five (35)
Township Fifty Six (56)
Range Six (6)
West of the Fourth Meridian
Containing 64.7 Hectares (160 Acres) more or less
Excepting thereout: Hectares (Acres) more or less
A) Plan 6430 KS – Road 0.417 (1.03)
B) Plan 395 RS – Road 0.615 (1.52)
C) Plan 9222585 – Road 0.407 (1.01)
Excepting thereout all mines and minerals

and

The South West Quarter of Section Eleven (11)
Township Fifty Seven (57)
Range Six (6)
West of the Fourth Meridian, lying to the west of the westerly limit of land required for railway purposes, as shown on Plan 7521297 and south of the south limit of Road Plan 3445BM, containing 7.17 hectares (17.72 acres) more or less
Excepting thereout all mines and minerals and the right to work the same

Schedule "B"

COMPLIANCE CERTIFICATE

**FIERA PRIVATE DEBT FUND V LP
- AND - FIERA PRIVATE DEBT FUND VI LP**

200 Bay Street, Suite 3800
Toronto, Ontario M5J 2T6
E-mail: rfrench@fieracapital.com

This Compliance Certificate is provided pursuant to the loan agreement made effective the 26 day of April, 2021, as amended by a first amendment dated effective October 19, 2022, and a second amendment dated effective June 12, 2023 (as the same may be further amended, restated, modified, supplemented or replaced from time to time, the "**Loan Agreement**") among Mantle Materials Group, Ltd., as borrower (the "**Borrower**") and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc., and Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc., as lenders (collectively, the "**Lender**"). All terms and expressions used herein but not otherwise defined shall have the same meanings herein as are ascribed thereto in the Loan Agreement.

The Borrower represents and warrants as follows:

1. this Compliance Certificate is a true, correct and complete statement of, and that the information contained herein is true, correct and complete in all material respects, and that the amounts reflected herein are in compliance with the provisions of the Loan Agreement;
2. no Event of Default has occurred or is continuing; and
3. all representations and warranties contained in the Loan Agreement and the Security (other than any representations or warranties made as of a specific date) are true and correct in all material respects.

[NTD: To be included for applicable reporting periods only.] [The Borrower hereby certifies that as follows:

- (a) for the time period _____, the ratio of Total Funded Debt to EBITDA was _____ to 1;
- (b) for the time period _____, the ratio of Debt Service Coverage was _____ to 1; and
- (c) for the time period _____, the Current Ratio was _____ to 1.

The calculations of the ratios set out above are attached as Exhibit I to this Compliance Certificate.]

[SIGNATURES FOLLOW ON NEXT PAGE]

DATED this _____ day of _____.

MANTLE MATERIALS GROUP, LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

**EXHIBIT I TO COMPLIANCE CERTIFICATE
CALCULATION OF FINANCIAL COVENANT RATIOS**

[See attached]

SCHEDULE "C"
SHARE CAPITAL

MANTLE MATERIALS GROUP, LTD.	
Shareholder	Number and Class of Shares
RLF Canada Holdings Limited	58,086.6477 Class A shares

SCHEDULE "D"

PRE-AUTHORIZED PAYMENT AUTHORITY

[See attached]

SCHEDULE "E"

AMORTIZATION AND PAYMENT SCHEDULE OF THE LOAN

[See attached]

SCHEDULE "F"

MATERIAL AGREEMENTS

1. 216 Dispositions

- (a) Surface Material Lease No. 080085 in favour of 216 dated April 26, 2012 in respect of Aggregate Pit JLG 3 located within NW-12-63-19 W4M and SW-13-63-19 W4M.
- (b) Surface Material Lease No. 100085 in favour of 216 dated June 24, 2016 in respect of Aggregate Pit JLG 4 located within NE-12-63-19 W4M and NW-12-63-19 W4M.
- (c) Surface Material Lease No. 110025 in favour of 216 dated February 11, 2014 in respect of Aggregate Pit JLG 5 located within NE-11-61-18 W4M.
- (d) Surface Material Lease No. 110026 in favour of 216 dated April 11, 2012 in respect of Aggregate Pit JLG 6 located within SE-11-61-18 W4M.
- (e) Surface Material Lease No. 110045 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 7 located within SE-15-61-18 W4M and NE-15-61-18 W4M.
- (f) Surface Material Lease No. 110046 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 8 located within NE-15-61-18 W4M and NW-15-61-18 W4M.
- (g) Surface Material Lease No. 120006 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 11 located within NW-14-61-18 W4M.
- (h) Surface Material Lease No. 120100 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 12 located within SE-21-61-18 W4M.
- (i) Surface Material Lease No. 110047 in favour of 216 located within SE-15-61-18 W4M, SW-15-61-18 W4M, and NW-15-61-18 W4M.
- (j) Surface Material Lease No. 120005 in favour of 216 located within SW-14-61-18 W4M and NW-14-61-18 W4M.
- (k) Surface Material Lease No. 060060 in favour of 216 located within SW-13-65-18-W4M.
- (l) Department Licence of Occupation 170011 in favour of 216 located within SE-13-65-18-W4M and SW-13-65-18-W4M.

2. JMB Dispositions

- (a) Surface Material Lease No. 120027 in favour of JMB located within SW-30-63-08-W4M.
- (b) Surface Material Lease No. 930040 in favour of JMB located within SE-23-61-07-W4M.
- (c) Surface Material Lease 980116 in favour of JMB located within SW-21-63-12-W4M.
- (d) Department Miscellaneous Lease 120032 in favour of JMB located within NW-20-74-8-W4M.

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3. Royalty Agreements

- (a) Royalty Agreement made as of April 26, 2022 between Mantle and Lafarge in respect of the Aggregate Pit referred to as Oberg for which Lafarge had registration number 15215-01-01 located on lands described as SE-5-62-7-W4 and having 159.88 acres.
- (b) Royalty Agreement made as of October 29, 2018 between JMB and Jerry Shankowski (945441 Alberta Ltd.) in respect of an Aggregate Pit located at SW 21-56-7-W4, which Aggregate Pit is registered under the EPEA as registration no. 308161-00-00.
- (c) Royalty Agreement made as of November 8, 2018 between Helen Havener, Gail Havener and JMB in respect of the Aggregate Pit located at NW 16-56-7-W4M, which Aggregate Pit is registered under the EPEA as registration no. 17395-01-00.
- (d) Royalty Agreement made as of February 26, 2020 between Darren Andrychuk & Daphne Andrychuk and JMB in respect of the Aggregate Pit located at SW 15-57-14-W4.

4. Other Contracts

- (a) Lease dated September 1, 2011 between 489786 Alberta Ltd., as landlord, and JMB, as tenant, as amended September 3, 2015, December 12, 2016, February 26, 2018 and March 1, 2020, in respect of the lands and premises located at NW-20-61-5-4 in Bonnyville, Alberta.
- (b) Commitment Letter dated January 8, 2018 between Canadian Western Bank and 216, as amended, together with all cash collateral security delivered in connection therewith and the rights of the Vendors in respect of the letters of credit issued by Canadian Western Bank thereunder, including:
 - (i) the letter of credit in the amount of \$19,540 issued in connection with the 216 Disposition identified as SML 080085;
 - (ii) the letter of credit in the amount of \$42,010 issued in connection with the 216 Disposition identified as SML 100085;
 - (iii) the letter of credit in the amount of \$79,690 issued in connection with the 216 Disposition identified as SML 110025;
 - (iv) the letter of credit in the amount of \$77,540 issued in connection with the 216 Disposition identified as SML 110026;
 - (v) the letter of credit in the amount of \$57,030 issued in connection with the 216 Disposition identified as SML 110045;
 - (vi) the letter of credit in the amount of \$44,380 issued in connection with the 216 Disposition identified as SML 110046;
 - (vii) the letter of credit in the amount of \$25,690 issued in connection with the 216 Disposition identified as SML 120006;
 - (viii) the letter of credit in the amount of \$29,650 issued in connection with the 216 Disposition identified as SML 120100;

- (ix) the letter of credit in the amount of \$46,110 issued in connection with the 216 Disposition identified as SML 110047;
- (x) the letter of credit in the amount of \$78,110 issued in connection with the 216 Disposition identified as SML 120005; and
- (xi) the letter of credit in the amount of \$41,440 issued in connection with the 216 Disposition identified as SML 060060;
- (c) Contracts granting a licence or other right to use the Axon software, the ISNetwork software and the software provided by ComplyWorks Ltd..
- (d) Non-competition agreement dated March 22, 2019 between 541466 Alberta Ltd., Lisa Ball, Gordon Ball, and JMB.
- (e) Master Equity Vehicle Lease Agreement dated August 23, 2019 between Enterprise Fleet Management Canada, Inc. and JMB, together with Open-End (Equity) Lease Schedule in respect of 2019 Ford, Model F-150, Series XLT 4x4 SuperCrew Cab Styleside 6.5, 1FTFW1E52KFC66669.
- (f) Lease Agreement number 11145, dated June 10, 2022 between Alberta Auto Finance and Mantle in respect of a 2020 Dodge Ram 2500, 3C6UR5DJ7LG221464.
- (g) Lease Agreement number 11146, dated June 10, 2022 between Alberta Auto Finance and Mantle in respect of a 2020 Dodge Ram 1500, 1C6RR7ST5NS153795.
- (h) The Crestmark Documents
- (i) The Travelers Documents.

SCHEDULE "G"

LANDS

Pit/Agreement Name	Primary Market Served	SML #	Ownership / Lease Type	Expiration Date
216 SML Gravel Pits				
JLG 7	Smoky Lake	110045	SML	17/03/2025
JLG 6	Smoky Lake	110026	SML	10/04/2022
JLG 8	Smoky Lake	110046	SML	17/03/2025
JLG 5	Smoky Lake	110025	SML	10/02/2024
JLG 12	Smoky Lake	120100	SML	04/10/2027
JLG 4	Thorhild	100085	SML	23/06/2026
JLG 3	Thorhild	080085	SML	25/04/2022
JLG 11	Smoky Lake	120006	SML	04/10/2027
JLG 9	Smoky Lake	110047	SML	17/3/2025
JLG10	Smoky Lake	120005	SML	4/10/2027
	Smoky Lake	060060	SML	27/5/2024
JMB SML Gravel Pits				
		120027	SML	
		930040	SML	
		980116	SML	
Royalty Gravel Pits				
Shankowski Royalty Agreement	Bonnyville / Cold Lake	Private	Royalty Agreement	19/10/2028
Oberg	Bonnyville / Cold Lake	15215-01-01	Royalty Agreement	01/07/2024
Moose River	Bonnyville / Cold Lake	100043	Royalty Agreement	01/07/2024 06/01/2023
Andrychuk Royalty Agreement	Bonnyville / Cold Lake	Private	Royalty Agreement	26/02/2030
Havener Royalty Agreement	NW 16-56-7-W4	Elk Point	Royalty Agreement	Freehold
Owned Gravel Pit and Other				
JMB	Bonnyville / Cold Lake	Private	JMB-Owned	Freehold
Gagne	Bonnyville / Cold Lake	Private	JMB-Owned	Freehold
Bonnyville Premises lease	Bonnyville / Cold Lake			Leased premises

SCHEDULE "H"

OWNERSHIP STRUCTURE

Name	Jurisdiction of Incorporation/ Formation	Holder of Equity Interest	Province of Chief Executive Office	Relevant Jurisdictions of Collateral
Mantle Materials Group, Ltd.	Alberta	RLF Canada Holdings Limited	Alberta	Alberta

SCHEDULE "I"

FIERA EQUIPMENT

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31518EE16691
2001	Toyota	7FGU30	6,000 lb LP Gas Lift Truck	61607
2015	Precision	100 Ton	100 ton Truck Scale	15-589
2012	Caterpillar	246C	Skid Steer Loader	CAT0246CVJAY08691
2013	Volvo	L220G	Articulated Wheel Loader	VCEL220GC00012444
1991	Epcor	MA-L5129	Office Trailer	2N9M08324L1013860
N/A	Magnum	N/A	Light Plant	1204671

SCHEDULE "J"

**ENVIRONMENTAL PROTECTION ORDERS ("EPO")
AND ENFORCEMENT ORDERS ("EO")**

Pit	EPO	EO
MacDonald	EPO-EPEA-35659-01	-
Megley	02	-
Kucy	03	-
Havener	04	-
Buksa	05	-
Okane	06	-
SML 060060	07	EO-WA-35659-01
SML 930040	08	-
SML 980116	09	-
SML 120027	10	-
TOTAL	10	1

Document comparison by Workshare Compare on Friday, May 19, 2023 3:13:20 PM

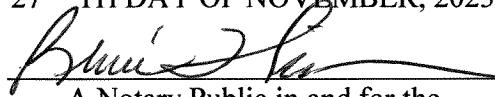
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Rendering set	Standard

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Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Moved to	2
Style changes	0
Format changes	0

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THIS IS EXHIBIT "I" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made effective as of the 26 day of April, 2021.

TO: **FIERA PRIVATE DEBT FUND V LP**, by its general partner **FIERA PRIVATE DEBT FUND GP INC.** (“**Fund V**”);

AND TO: **FIERA PRIVATE DEBT FUND VI LP**, by its general partner **FIERA PRIVATE DEBT FUND GP INC.** (“**Fund VI**” and together with Fund V, and their successors, affiliates and assigns, the “**Lenders**”)

GRANTED BY: **MANTLE MATERIALS GROUP, LTD.**, a body corporate duly formed by incorporation under the laws of the Province of British Columbia (the “**Grantor**”)

RECITALS:

- A. The Lenders have established certain credit facilities in favour of the Grantor pursuant to a loan agreement dated April 26, 2021 among, *inter alios*, the Lenders, as lender, and the Grantor, as borrower (as same may be amended, supplemented, restated, replaced or otherwise modified from time to time, the “**Loan Agreement**”); and
- B. As security for the fulfilment of the Grantor’s obligations under the Loan Documents (as hereinafter defined), the Grantor has agreed to grant a security interest in its present and after acquired personal property in favour of the Lenders.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

Unless the context otherwise requires or unless otherwise specified, all the terms used in this Agreement without initial capitals which are defined in the *Personal Property Security Act* (Alberta) (the “**PPSA**”) have the same meanings in this Agreement as in the PPSA.

1.2 Definitions

The following words and terms have the meanings set out below:

“**Account Borrower**” means any Person who becomes obligated to the Grantor under, with respect to, or on account of, an Account Receivable;

“**Accounts Receivable**” means all “accounts”, as such term is defined in the PPSA, now or in the future owned by the Grantor, and includes without limitation, all accounts receivable, other receivables, book debts, claims and other forms of monetary obligation not evidenced by chattel paper or an instrument now or in the future owned, received or acquired by, or belonging or owing to, the Grantor, whether arising out of goods sold or services rendered by it, or from any other transaction, and “Account Receivable” means any one of them;

“Agreement” means this General Security Agreement and all schedules hereto, as amended, supplemented or restated from time to time; and the expressions “Article” and “Section” followed by a number mean and refer to the specified Article or Section of this Agreement;

“Business Day” means any day of the year other than a Saturday or Sunday or other day on which the Lenders are required or authorized to close in Calgary, Alberta;

“Chattel Paper” means all or any part of any present or future interest of the Grantor in chattel paper;

“Contracts” means any contracts, agreements, indentures, licences, commitments, entitlements, engagements or other arrangements, whether written or unwritten, to which the Grantor is now or subsequently becomes a party or has a benefit or right, or in which the Grantor now or subsequently has an interest;

“Declared Default” means the occurrence and continuance of a Default which has resulted in (i) a notice being served by the Lenders accelerating the obligations under the Loan Documents, or (ii) the occurrence of any automatic acceleration of the obligations under the Loan Documents;

“Default” means an event of default pursuant to the Loan Agreement;

“Documents of Title” means all or any part of any documents of title, whether negotiable or non-negotiable, including, without limitation, all warehouse receipts and bills of lading, in which the Grantor now or subsequently has an interest;

“Equipment” means all equipment in which the Grantor now or subsequently has an interest including, without limitation, all tools, apparatus, fixtures, plant, machinery and furniture;

“Governmental Authority” means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central Lender or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and includes a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;

“Instruments” means all or any part of any letters of credit, advices of credit and other instruments in which the Grantor now or subsequently has an interest;

“Intangibles” means all intangibles and intangible property of whatever kind in which the Grantor now or subsequently has an interest, including, without limitation, all of the Grantor’s rights under Contracts, Intellectual Property Rights, Technical Information and permits;

“Intellectual Property Rights” means all trade-marks, trade-names, brands, trade dress, business names, uniform resource locators, domain names, tag lines, designs, graphics, logos and other commercial symbols and indicia of origin, goodwill, patents and inventions, copyrights, industrial designs, and other intellectual property rights, whether registered or not or the subject of a pending application for registration, owned by the Grantor;

“Inventory” means all inventory, including without limitation, raw materials, works-in-progress, finished goods and by-products, spare parts, operating supplies, packing, shipping and packaging materials of or relating to the business of the Grantor;

“Investment Property” means all investment property of whatever kind in which the Grantor now or subsequently has an interest, including without limitation, certificated and uncertificated securities, securities entitlements, securities accounts, futures accounts and futures contracts;

“Lien” means, with respect to any Person, any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement creating in favour of any creditor a right in respect of any particular asset that is prior to the right of any other creditor in respect of such property, and includes the right of a lessor relative to a capitalized lease obligation. Solely for the purposes of determining whether a Lien exists for the purposes hereof, a Person shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale or capital lease or other title retention agreement and any lease in nature thereof (excluding, for the avoidance of doubt, operating leases as determined in accordance with GAAP) and such retention of title by another Person shall constitute a Lien;

“Loan Agreement” has the meaning specified in the recitals to this Agreement;

“Loan Documents” means the Loan Agreement, and any security document granted in relation to the Loan Agreement, all certificates, instruments, agreements, offset agreements or other documents entered into under or in connection with any cash management services or hedging facilities and all other documents to be executed and delivered to the Lenders by the Grantor or any other Person in connection with the credit facilities set out in or contemplated by the Loan Agreement, and, in each case, any amendments, restatements, supplements or other modifications to any such agreements and documents at any time and from time to time;

“Money” means all or any part of any money in which the Grantor now or subsequently has an interest;

“Obligations” means all present and future moneys, debts, obligations and liabilities due, owing or incurred by the Grantor under or in connection with any Loan Document (whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise, and including, for greater certainty, all interest, principal, costs, fees and reimbursement and indemnity obligations);

“Permitted Lien” means:

- (a) Liens granted to pursuant to the Loan Documents;
- (b) Liens not related to the borrowing of money, incurred or arising by operation of law or in the ordinary course of business or incidental to the ownership of assets;
- (c) Liens for taxes, rates, assessments and other governmental charges or levies not yet due, or for which installments have been paid based on reasonable estimates, or if due, the validity of which is being contested by appropriate proceedings;
- (d) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grant of real or immovable property, or interests therein, which do not materially affect the use of the affected land for the purpose for which it is used by the Grantor;
- (e) Permits (including, without limiting the generality of the foregoing, in the nature of easements for sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles,

wires and cables) and zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, regional, state, municipal and other Governmental Authorities, which will not materially impair the use of the affected land for the purpose for which it is used by the Grantor;

- (f) title defects, encroachments or irregularities which are of a minor nature and which in the aggregate will not materially impair the use of the affected property for the purpose for which it is used by the Grantor;
- (g) pledges or deposits (or Liens on segregated deposits established for such purposes) in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security or social insurance legislation or other similar obligations;
- (h) Liens given to a public utility or any Governmental Authority when required by such utility or Governmental Authority in connection with the operations of the Grantor in the ordinary course of its business;
- (i) deposits (or liens on segregated deposits established for such purposes) to secure performance of bids, tenders, trade contracts and leases, statutory obligations, surety and appeal bonds;
- (j) with respect to any leasehold interest in real property, Liens on the fee or other superior title interest in which such leasehold interest is subject;
- (k) Liens in favour of customs, revenue and taxation authorities arising by operation of law; and
- (l) Liens expressly consented to in writing by the Lenders, including, without limitation, any Liens granted pursuant to the Senior Credit Facility.

“Person” includes any person, firm, company, corporation, government, Governmental Authority, joint venture, association, trust or partnership (whether or not having separate legal personality) or other entity;

“Places of Business” means the Grantor's places of business and location of assets specified in Section 3.1(b), and **“Place of Business”** means any one of them;

“Proceeds” means all proceeds and personal property in any form derived directly or indirectly from any dealing with all or any part of the Secured Property and any insurance or payment that indemnifies or compensates for such property lost, damaged or destroyed, and proceeds of proceeds and any part of any such proceeds;

“Real Property” means all real, immovable and leasehold property, including both surface and minerals, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights, including without limitation, all rights to extract minerals under license or lease, whether connected therewith or appurtenant thereto or separately owned or held, including without limitation, all structures, plant and other fixtures now owned or hereafter owned or acquired by or on behalf of the Grantor;

“Secured Property” means all of the Grantor's undertaking, property and assets, now owned or subsequently acquired, including, without limitation, all personal property, Accounts Receivable, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Money, securities, Investment Property, Real Property and Proceeds, together with all

increases, additions and accessions to any of them, and all substitutions or any replacements of any of them;

“**Security Interest**” means the security interests granted under Section 2.1;

“**Senior Credit Facility**” means the credit facility granted to the Grantor by ATB Financial; and

“**Technical Information**” means all know-how and information owned by or licensed to any Grantor, confidential or otherwise, including, without limitation, any information of a scientific, technical, financial or business nature regardless of its form.

1.3 Certain Rules of Interpretation In this Agreement:

- (a) *Governing Law* - This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.
- (b) *Readings* - The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement.
- (c) *No Strict Construction* - The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.
- (d) *Number and Gender* - Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (e) *Statutory References* - Unless otherwise stated, any reference in this Agreement to any act or statute or section thereof shall be deemed to be a reference to such act or statute or section, as amended, restated or replaced from time to time.
- (f) *Time* - Time is of the essence in the performance of the parties' respective obligations.
- (g) *Entire Agreement* – This Agreement and all attachments hereto, the security and any other written agreement delivered pursuant to or referred to in this Agreement constitute the entire agreement among the parties with respect to the subject matter set forth herein or therein and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter thereof.
- (h) *Non-Merger* – The representations, warranties and covenants contained in this Agreement and in any other credit document shall not merge the closing and the advances of the facility shall, survive and continue in full force and effect. In the event of any conflict or inconsistency between any provision of this Agreement and any of the other credit documents the Lenders shall decide in their sole discretion which shall prevail.
- (i) *Joint and Several* - Where more than one person is liable as a Grantor for any obligation under this Agreement, the liability of each person for such person.

- (j) *Survival of Representations and Warranties* – The representations and warranties contained herein or made pursuant to this Agreement and all other security documents shall survive until the termination of this Agreement.

ARTICLE 2 SECURITY INTERESTS

2.1 Security Interest

As continuing security for the repayment and the performance of each of the Obligations, the Grantor hereby grants, mortgages and charges to the Lenders, a continuing security interest in, and a security interest is taken in, all of the Grantor's present and after acquired personal property, including, without limitation, all assets, rights and undertaking of every nature and kind, now owned or subsequently owned or acquired and at any time and from time to time existing or in which the Grantor has or acquires an interest, wherever situate, including, without limitation, all of the Secured Property.

2.2 Fixed Nature of Security Interests

The Security Interest is intended to operate as a fixed and specific charge of all of the Secured Property (other than the Real Property which is mortgaged and charged by way of a floating charge) presently existing, and with respect to all future Secured Property, to operate as a fixed and specific charge of such future Secured Property.

2.3 Attachment

The Grantor acknowledges that value has been given. The Security Interest is intended to attach, as to all of the Secured Property in which the Grantor now has rights, upon the execution by the Grantor of this Agreement. In respect of future Secured Property, the time for attachment will be the time at which the Grantor acquires rights in the Secured Property or power to transfer rights in the Secured Property to the Lenders.

2.4 Leases

The last day of any term reserved by any lease, written or unwritten, or any agreement to lease, now held or subsequently acquired by the Grantor is excepted out of the Security Interests. As further security for the payment of the Obligations, the Grantor agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lenders for the purpose of this Agreement. The Grantor shall assign and dispose of the same in such manner as the Lenders may from time to time direct in writing without cost or expense to the Lenders. Upon any sale, assignment, sublease or other disposition of such lease or agreement to lease, the Lenders shall, for the purpose of vesting the residue of any such term in any purchaser, sublessee or such other acquirer of the lease, agreement to lease or any interest in any of them, be entitled by written agreement to assign to such other person, the residue of any such term in place of the Grantor and to vest the residue freed and discharged from any obligation whatsoever respecting the same.

2.5 Consent

Nothing in this Agreement shall constitute an assignment or attempted assignment of any contract, agreement, license, franchise, permit or quota which by its provisions or by law is not assignable or which requires the consent of a third party to its assignment unless such consent has been obtained. In each such case, the Grantor shall, promptly, upon written request by the

Lenders, attempt to obtain the consent of any necessary third party to its assignment under this Agreement and to its further assignment by the Lenders to any third party as a result of the exercise by the Lenders of remedies after demand. Upon such consent being obtained or waived, this Agreement shall apply to the applicable contract, agreement, license, franchise, permit or quota without regard to this section and without the necessity of any further assurance to effect such assignment. Unless and until the consent to assignment is obtained as provided above, the Grantor shall, to the extent it may do so at law or pursuant to the provisions of the contract or interest in question hold all benefit to be derived from such contracts, agreements, licenses, permits or quotas in trust for the Lenders (including, without limitation, the Grantor's beneficial interest in any contract or agreement which may be held in trust for the Grantor by a third party), as additional security for payment of Obligations and shall deliver up all such benefit to the Lenders, promptly upon demand by the Lenders.

ARTICLE 3 GRANTOR'S REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties

The Grantor represents and warrants to the Lenders, the matters set out below:

- (a) *No Other Corporate Names or Styles* - The Grantor does not carry on business under or use any name or style other than the name(s) specified in Schedule 3.1 including, without limitation, any names in the French language.
- (b) *Place of Business of Grantor* - The Grantor's Places of Business and chief executive office are set out in Schedule 3.1.
- (c) *Reliance and Survival* - All representations and warranties of the Grantor made in this Agreement or in any certificate or other document delivered by or on behalf of the Grantor to or for the benefit of the Lenders are material, shall survive and shall not merge upon the execution and delivery of this Agreement and shall continue in full force and effect. The Lenders shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Lenders at any time.
- (d) *Due Authorization* – This Agreement has been duly authorized by all necessary corporate action of the Grantor and constitutes a valid and legally binding obligation of the Grantor, enforceable against it in accordance with its terms except as may be limited by applicable bankruptcy, insolvency, moratorium, and other similar laws affecting creditors' rights generally and except that specific performance, injunctions and other equitable remedies may be granted only in the discretion of the court. The making and performance of this Agreement will not result in the breach of, constitute a default under, or result in the creation of any encumbrance or any other rights of others upon any property of the Grantor pursuant to, any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected.
- (e) *Title* – All of the Secured Property is, or when the Grantor acquires any right, title or interest therein, will be, the sole property of the Grantor's, free and clear of all encumbrances and adverse claims except the Permitted Liens.

ARTICLE 4 COVENANTS

4.1 Covenants

The Grantor agrees with the Lenders that it will:

- (a) maintain, use and operate the Secured Property so as to preserve and protect the Secured Property and the incomes and profits thereof, ordinary wear and tear excepted;
- (b) keep proper books of account and records, with respect to its business and the Secured Property, in accordance with GAAP and permit a representative of the Lenders at any time to inspect, make copies and/or summaries of, and make enquiries and tests for the purpose of verification of, such books of account and records, and any expenses of the Lenders incurred in so doing will be added to the Obligations;
- (c) except for the Permitted Liens, keep the Secured Property free and clear of all encumbrances and adverse claims, whether ranking in priority to, *pari passu* with or subsequent to the mortgage, charge and security interest granted by this Agreement;
- (d) immediately notify the Lenders of:
 - (i) the details of any claim or litigation affecting the Grantor or the Secured Property, including the right of any Person to go into, collect or seize possession of the Secured Property by means of any legal process;
 - (ii) the details of any material acquisition of Secured Property;
 - (iii) any loss of or damage to Secured Property;
 - (iv) any default by any account debtor;

and the Grantor will, at its own expense, defend the Secured Property against any and all such claims;

- (e) upon the request of the Lenders, deliver possession of all originals of all negotiable documents, instruments and chattel paper owned or held by it (duly endorsed in blank, if so requested);
- (f) pay all rents, taxes, rates, assessments and other charges lawfully imposed on the Grantor or the Secured Property when the same are due and payable;
- (g) permit a representative of the Lenders at any time to inspect the Secured Property and for that purpose to enter the Grantor's premises and any other location where the Secured Property may be situated, and any expenses of the Lenders incurred in so doing will be added to the Obligations;
- (h) forthwith reimburse the Lenders on demand for all costs and expenses, including receiver's costs and expenses, and including reasonable legal fees and expenses on a full indemnity basis, incurred by the Lenders or any receiver in connection with the preparation, execution, delivery, perfection, enforcement of

and advice with respect to this Agreement, including those arising in connection with the realization, disposition of, retention, protection or collection of Secured Property, and any such costs and expenses will be added to the Obligations and will bear interest from the date such costs and expenses are incurred to the date paid, at the interest rate specified for the Obligors in the Loan Agreement, which interest will also be added to the Obligations;

- (i) ensure that the representations and warranties set forth in Section 3.1 hereof will be true and correct at all times; and
- (j) not change its name, amalgamate with another corporation or corporations or change the location of its head office, without the prior written consent of the Lenders.

ARTICLE 5 REMEDIES

5.1 Lenders' Rights and Remedies

Upon the occurrence, and during the continuance of, a Declared Default, all of the Obligations shall, at the Lenders' option and without notice to the Grantor become immediately due and payable and the Security Interest shall become enforceable and the Lenders may, in their discretion, proceed to enforce payment and performance of the Obligations and to exercise any or all of the rights and remedies contained in this Agreement, (including, without limitation, the signification and collection of the Grantor's Accounts Receivable), or otherwise afforded by law, in equity or otherwise. The Lenders shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Lenders expressly retain all rights and remedies not inconsistent with the provisions in this Agreement including all the rights they may have under the PPSA. Without limitation, the Lenders may, upon the occurrence of any Declared Default which is continuing and to the extent permitted by applicable law:

- (a) *Appointment of Receiver* - Appoint by instrument in writing a receiver (which term shall include a receiver and manager or agent) of the Grantor and of all or any part of the Secured Property and remove or replace such receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver. Any such receiver appointed by the Lenders, with respect to responsibility for its acts, shall, to the extent permitted by applicable law, be deemed the agent of the Grantor and not of the Lenders. Where the "Lenders" is referred to in this Article the reference includes, where the context permits, any receiver so appointed and the officers, employees, servants or agents of such receiver;
- (b) *Enter and Repossess* - Immediately and without notice enter the Grantor's premises and repossess, disable or remove the Secured Property;
- (c) *Retain the Secured Property* - Retain and administer the Secured Property in the Lenders' sole and unfettered discretion, which discretion the Grantor acknowledges is commercially reasonable;
- (d) *Dispose of the Secured Property* - Dispose of any Secured Property by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are waived by the Grantor to the extent permitted by law. The Lenders may, to the extent permitted by law, at their discretion,

establish the terms of such disposition, including, without limitation, terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Obligations only as they are actually received. The Lenders may, to the extent permitted by law, enter into, rescind or vary any contract for the disposition of any Secured Property and may dispose of any Secured Property again without being answerable for any related loss. Any such disposition may take place whether or not the Lenders have taken possession of the Secured Property;

- (e) *Foreclosure* - Foreclose upon the Secured Property;
- (f) *Power of Attorney* – The Grantor constitutes and appoints the Lenders, or any receiver appointed of the Grantor as provided for in this Agreement, the true and lawful attorney of the Grantor irrevocably with full power of substitution, upon the occurrence and during the continuance of a Declared Default, to do, make and execute all such documents, acts, matters or things with the right to use the name of the Grantor whenever and wherever it may be deemed necessary or expedient in connection with the exercise of its rights and remedies set forth in this Agreement. Without limitation, the Lenders or their agent are authorized to sign any financing statements and similar forms which may be necessary or desirable to perfect the Security Interest in any jurisdiction on behalf of the Grantor. The Grantor declares that the irrevocable power of attorney granted in this Agreement, being coupled with an interest, is given for valuable consideration;
- (g) *Collection of Accounts Receivable* - Upon the occurrence, and during the continuance of, a Declared Default, the Lenders on their own account or through a receiver, receiver-manager or agent and whether alone or in conjunction with the exercise of all or any other remedies contemplated by this Agreement, shall have the right, at any time, to notify and direct Account Borrowers to make all payments whatsoever to the Lenders and the Lenders shall have the right, at any time, to hold all amounts acquired from any Account Borrowers and any Proceeds as part of the Secured Property. Upon such occurrence and during such continuance, any payments received by the Grantor shall be held by the Grantor in trust for the Lenders in the same medium in which received, shall not be commingled with any assets of the Grantor and shall, at the request of the Lenders be turned over to the Lenders not later than the next Business Day following the day of their receipt;
- (h) *Carry on Business* - Carry on or concur in the carrying on of all or any part of the business of the Grantor and may, in any event, to the exclusion of all others, including the Grantor, enter upon, occupy and use all premises of or occupied or used by the Grantor and use any of the personal property (which shall include fixtures) of the Grantor for such time and such purposes as the Lenders see fit. The Lenders shall not be liable to the Grantor for any neglect in so doing or in respect of any related rent, costs, charges, depreciation or damages;
- (i) *Payment of Encumbrances* - Pay any encumbrance, lien, claim or charge that may exist or be threatened against the Secured Property, and any amount so paid together with costs, charges and expenses incurred shall be added to the Obligations;

- (j) *Payment of Deficiency* - If the proceeds of realization are insufficient to pay all monetary Obligations, the Grantor shall forthwith pay or cause to be paid to the Lenders any deficiency and the Lenders may, subject to applicable law, sue the Grantor to collect the amount of such deficiency; and
- (k) *Dealing with Secured Property* - Subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Secured Property in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Lenders advisable and without notice to the Grantor. The Lenders may charge on their own behalf and pay to others sums for expenses incurred and for services rendered (expressly including without limitation, legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Secured Property and may add all such sums to the Obligations.

5.2 Demand Obligations

The fact that this Agreement provides for default and rights of acceleration shall not derogate from the nature of the Obligations which are payable on demand.

5.3 Assemble the Secured Property

To assist the Lenders in the implementation of such rights and remedies, the Grantor will, at its own risk and expense and immediately upon the Lenders' request, upon the occurrence and during the continuance of a default, assemble and prepare for removal such items of the Secured Property as are selected by the Lenders as shall, in the Lenders' sole judgment, have a value sufficient to cover all the Obligations.

5.4 Allocation of proceeds

All monies collected or received by the Lenders in respect of the Secured Property may be held by the Lenders and may be applied on account of such parts of the Obligations as shall be determined at the sole discretion of the Lenders.

5.5 Waivers and Extensions

The Lenders may waive default or any breach by the Grantor of any of the provisions contained in this Agreement. No waiver shall extend to a subsequent breach or default, whether or not the same as or similar to the breach or default waived and no act or omission of the Lenders shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default of the Grantor or the rights of the Lenders resulting therefrom. Any such waiver must be in writing and signed by the Lenders to be effective.

The Lenders may also grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Secured Property to third parties and otherwise deal with the Grantor's guarantors or sureties and others and with the Secured Property and other securities as the Lenders may see fit without prejudice to the liability of the Grantor to the Lenders, or the Lenders' rights, remedies and powers under this Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by the Lenders to the Grantor shall operate as a waiver, alteration

or amendment of the rights of the Lenders or otherwise preclude the Lenders from enforcing such rights.

5.6 Remedies Cumulative and Waivers

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lenders under this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or equity; and any single or partial exercise by the Lenders of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement shall not be deemed to be a waiver of, or to alter, affect or prejudice, any other right or remedy to which any one or more of the Lenders may be lawfully entitled for such default or breach. Any waiver by the Lenders of the strict observance, performance or compliance with any term, covenant, condition or other matter contained in this Agreement and any indulgence granted, either expressly or by course of conduct by the Lenders shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any right or remedy of the Lenders under this Agreement as a result of any other default or breach under this Agreement.

5.7 Effect of Possession or Receiver

As soon as the Lenders take possession of any Secured Property or appoints a receiver, all powers, functions, rights and privileges of the Grantor and the directors, officers and partners of the Grantor and its general partner, as applicable, with respect to the Secured Property shall cease, unless specifically continued by the written consent of the Lenders or the receiver.

5.8 Set-off or Compensation

In addition to and not in limitation of any rights granted now or after the date of this Agreement at law, upon the occurrence and during the continuance of a Declared Default, the Lenders may at any time and from time to time without notice to the Grantor (it being expressly waived by the Grantor) set-off and compensate and apply any and all securities accounts, futures accounts, deposits, general or special, term or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the Lenders, or to appropriate any other properties or assets at any time held by the Lenders, to or for the credit of or the account of the Grantor, against and on account of the Obligations.

5.9 Limitation of Liability

The Lenders shall not be liable or accountable:

- (a) by reason of any entry into or taking possession of all or any of the Secured Property, to account as mortgagee in possession or for anything except actual receipts, or for any loss on realization or any act or omission for which the Lenders in possession might be liable; or
- (b) for any failure to exercise its remedies, take possession of, seize, collect, realize, sell, lease or otherwise dispose of or obtain payment for the Secured Property and shall not be bound to institute proceedings for such purposes or for the purpose of preserving any rights, remedies or powers of the Lenders, the Grantor or any other person in respect of same.

The Lenders shall not by virtue of these presents be deemed to be a mortgagee in possession of the Secured Property. The Grantor releases and discharges the Lenders and the receiver from every claim of every nature, whether sounding in damages or not, which may arise or be

caused to the Grantor or any person claiming through or under the Grantor by reason or as a result of anything done by the Lenders or any successor or assign claiming through or under the Lenders or the receiver under the provisions of this Agreement unless such claim be the result of dishonesty or gross neglect.

ARTICLE 6 DEALINGS WITH SECURED PROPERTY

6.1 Restrictions on Dealings with Secured Property

Except as expressly provided for in the Loan Agreement, the Grantor agrees that it shall not, without the prior consent in writing of the Lenders:

- (a) sell, assign, transfer, exchange, lease, consign or otherwise dispose of any Secured Property;
- (b) move or transfer any of the Secured Property that is not (i) equipment or inventory leased or held for lease by the Grantor to others, and (ii) of a kind that is normally used in more than one jurisdiction to a jurisdiction where the Lenders have not registered its security interest in such Secured Property; and
- (c) create, assume or suffer to exist any Lien upon the Secured Property other than Permitted Liens.

No provision hereof shall be construed as a subordination or postponement of the Security Interest to or in favour of any other Lien, whether or not such Lien is a Permitted Lien.

6.2 Permitted Dealings with Secured Property

The Grantor may at any time prior to the occurrence of a Declared Default, so long as such action is permitted under and in accordance with the Loan Agreement without the consent of the Lenders:

- (a) make such dispositions as are permitted pursuant to the Loan Agreement or section 7.2 of this Agreement;
- (b) collect Accounts Receivable in the ordinary course of its business;
- (c) use Money available to the Grantor; and
- (d) sell or consume Inventory in the ordinary course of its business.

ARTICLE 7 RIGHTS & OBLIGATIONS OF THE PARTIES

7.1 Insurance

The Grantor will cause the Secured Property to be insured for its full insurable value against fire, theft and all other risks against which a prudent administrator would ensure it. The Lenders are hereby designated as the beneficiary of the indemnities payable under the policies in respect of the Secured Property and the Grantor will cause such designation to be inscribed in the policies. The Grantor may not revoke such designation without the prior written consent of the Lenders. The Grantor will deliver a copy of each policy to the Lenders and at least 15 days prior to the

expiry date of a policy, the Grantor will deliver to the Lenders evidence of the renewal thereof. Should the Grantor fail to comply with the requirements of this Section 7.1, the Lenders may cause the Secured Property to be insured for such amount as it sees fit, without being bound to do so, and in such case the premiums paid by the Lenders will be added to the Obligations.

7.2 Dealings in the Ordinary Course

- (a) Until the occurrence of an Event of Default, the Grantor may dispose of the Secured Property in the ordinary course of its business and for the purpose of carrying on such business; and
- (b) except as set out in Section 7.2(a) above, the Grantor will not sell, lease or otherwise dispose of, or release or abandon possession of, any Secured Property.

7.3 Payment Notification; Proceeds Held in Trust

Upon the occurrence of a Declared Default:

- (a) the Lenders may notify any parties obligated on any of the Secured Property to make payment to the Lenders of any amounts due thereunder; and
- (b) any payment or other proceeds received by the Grantor from any party obligated on any of the Secured Property will be received by the Grantor in trust for the Lenders, must be segregated from other property of the Grantor, and must be paid over or delivered to the Lenders.

7.4 Performance of Duties

Notwithstanding any provision of this Agreement, the Grantor will remain liable to observe and perform all obligations under or relating to any of the Secured Property, and the Lenders will have no such obligations. Upon the Grantor's failure to perform any of its duties hereunder or with respect to the Secured Property, the Lenders may, but will not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the costs and expenses incurred by the Lenders in so doing will be added to the Obligations.

ARTICLE 8 GENERAL

8.1 Expenses

The Grantor shall pay all costs and expenses (including the fees and disbursements of legal counsel and other advisors, with legal fees and disbursements paid on a solicitor and own client basis) incurred by the Lenders in connection with the negotiation, preparation and execution of this Agreement and the perfection, protection of and enforcement under this Agreement, advice with respect to this Agreement, and those arising in connection with the realization, disposition, retention, protection or collection of any Secured Property and the protection or enforcement of the rights, remedies and powers of the Lenders or any receiver and those incurred for registration of any financing statement registered in connection with the Security Interests. All amounts for which the Grantor is required under this Agreement to reimburse the Lenders or any receiver shall, from the date of disbursement until the date the Lenders or the receiver receives reimbursement, be deemed advanced to the Grantor by the Lenders, shall be deemed

to be Obligations secured hereby and shall bear interest at the highest rate per annum charged by the Lenders on any of the other Obligations.

In particular, the Grantor agrees to indemnify and save the Lenders harmless from all legal fees and disbursements (on a solicitor and own client basis) incurred by the Lenders in connection with any enforcement of rights and remedies under this Agreement. This indemnity is independent of and in addition to any right which the Lenders may have to seek recovery of costs in any litigation which results in respect of this Agreement and is intended to ensure that the Lenders are fully reimbursed for one-hundred percent (100%) of the fees and disbursements which may be incurred as by it and its legal counsel.

8.2 Notices

Any notice, direction or other communication required or contemplated by any provision of this Agreement (a “**Notice**”) will be given in accordance with the Loan Agreement.

8.3 Amendment

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the Lenders and the party or parties to be bound. To be effective, any waiver by the Lenders of any provision of this Agreement or any of the Lenders’ rights or remedies shall be in writing and signed by the Lenders. Any waiver shall extend only to the particular circumstances described in the waiver.

8.4 Enurement

This Agreement shall be binding on the Grantor, and its successors (including any successor by reason of amalgamation), and permitted assigns and enure to the benefit of the Lenders and their successors (including any successor by reason of amalgamation) and assigns.

8.5 Attornment

The Grantor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Alberta, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and the Grantor irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. The Grantor agrees that a final, non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Lenders may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Grantor or its properties in the courts of any jurisdiction.

The Grantor irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court of competent jurisdiction of the Province of Alberta of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

8.6 Further Assurances

The Grantor shall at all times do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and shall provide such further documents or instruments required by the Lenders as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Security Interest and the priority accorded to them by law or under this Agreement.

8.7 Execution and Delivery

This Agreement may be executed and delivered by facsimile, email or other electronic transmission. The Grantor acknowledges receiving a copy of this Agreement, and further agrees that a carbon, photographic, photostatic, PDF, or other reproduction of this Agreement or of a financing statement will be sufficient for delivery purposes.

8.8 Language

The parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.*

8.9 Security Interests Effective Immediately

Neither the execution of, nor any filing with respect to, this Agreement shall obligate the Lenders to make any advance or loan or further advance, or bind the Lenders to grant or extend any credit to the Grantor.

8.10 Statutory Waivers

To the fullest extent permitted by law, the Grantor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of the Lenders or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute. Without limitation, to the extent that the laws of the Province of Saskatchewan are applicable, the Grantor (if it is a corporate body) agrees that *The Limitation of Civil Rights Act* (Saskatchewan) will not apply to this Agreement, or any of the rights, remedies or powers of the Lenders or any receiver hereunder. The Grantor agrees that *the Land Contracts (Actions) Act* (Saskatchewan) shall have no application to an action (as defined in the said Act) with respect to any mortgage granted or created under the terms hereof.

8.11 Reasonableness

The Grantor acknowledges that the provisions of this Agreement and, in particular, those respecting rights, remedies and powers of the Lenders and any receiver against the Grantor, its business and any Secured Property upon the occurrence of a Declared Default, are commercially reasonable and not manifestly unreasonable.

8.12 Discharge

This Agreement will not be satisfied or discharged, in whole or in part, by any intermediate payment of all or part of the Obligations and will operate as a continuing security interest for a current, running or revolving account or credit facility or similar account or facility. This Agreement and the mortgage, charge and security interest granted hereby, will only be discharged upon receipt by the Grantor of an express written discharge executed by the Lenders.

8.13 Copy of Financing Statements

The Grantor hereby waives any and all rights the Grantor has or may have to receive a copy of any financing statement or financing change statement filed by or for the Lenders or any verification statement in respect thereof.

8.14 Counterparts

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 agreement, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of a copy of an executed signature page of this Agreement by facsimile transmission or by e-mail in pdf format shall be effective as delivery of a manually executed counterpart thereof.

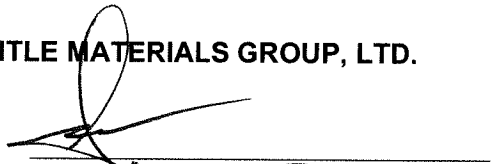
[Remainder of page intentionally left blank.]

IN WITNESS OF WHICH each of the undersigned has caused this Agreement to be duly executed as of the date set out at the commencement hereof.

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MANTLE MATERIALS GROUP, LTD.

Per:



Name: *Aaron Paetsch*

Title: *Director*

I/We have the authority to bind the company

Schedule 3.1

**LOCATIONS OF REGISTERED OFFICE, CHIEF EXECUTIVE OFFICE,
PLACES OF BUSINESS, RECORDS AND COLLATERAL**

Business Names	Mantle Group
French Version of Name	n/a
Any other name or style	n/a
Registered Office	Suite 2300, Bentall 5, 550 Burrard Street Vancouver, British Columbia V6C 2B5
Chief Executive Office	n/a
Places of Business	Range Rd 55, Bonnyville, AB, T9N 2H4

ASSIGNMENT OF MATERIAL AGREEMENTS

THIS ASSIGNMENT is made effective as of the 26 day of April, 2021.

- TO:** **FIERA PRIVATE DEBT FUND V LP**, by its general partner **FIERA PRIVATE DEBT FUND GP INC.** (“**Fund V**”);
- AND TO:** **FIERA PRIVATE DEBT FUND VI LP**, by its general partner **FIERA PRIVATE DEBT FUND GP INC.** (“**Fund VI**” and together with Fund V, and their successors, affiliates and assigns, the “**Lenders**”)
- GRANTED BY:** **MANTLE MATERIALS GROUP, LTD.**, a body corporate duly formed by incorporation under the laws of the Province of British Columbia (“**Mantle**”)
- AND BY:** **JMB CRUSHING SYSTEMS INC.**, a body corporate duly formed by amalgamation under the laws of the Province of British Columbia (“**JMB**”)
- AND BY:** **2161889 ALBERTA LTD.**, a body corporate duly formed by incorporation under the laws of the Province of Alberta (“**216**”, and together with Mantle and JMB, the “**Assignor**”)

RECITALS:

A. The Assignor is, or may become, indebted or liable to the Lenders under or in connection with a loan agreement dated April 26, 2021 among Mantle, as borrower, the Lenders, as lender, and JMB and 216, as guarantors (as the same may be amended, varied, supplemented, restated, renewed or replaced from time to time, the “**Loan Agreement**”); and

B. As security for the due and timely payment and performance of the Obligations (as defined below), the Assignor has agreed to assign to the Lenders all its right, title, interest and benefit in, to and under certain contracts to which it is or they are a party, as applicable, on the terms and conditions of this Assignment.

NOW THEREFORE in consideration of the Lenders entering into the Loan Agreement with the Assignor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Assignor, the Assignor covenants, agrees and declares in favour of the Lenders as follows:

1. INTERPRETATION

1.1 **Definitions.** In this Assignment, unless there is something in the subject matter or text inconsistent therewith or unless the context otherwise specifies or requires, capitalized terms shall have the meanings ascribed to such terms in the Loan Agreement and, in addition, the following terms shall have the meanings set out below:

- (a) “**Assignment**”, “**this Assignment**”, “**the Assignment**”, “**hereto**”, “**hereof**”, “**herein**”, “**hereby**”, “**hereunder**” and similar expressions mean or refer to this Assignment, as amended, varied, supplemented, renewed, restated or replaced from time to time, and any agreement or instrument supplemental to this Assignment, including the Exhibits, Schedules and Appendices annexed hereto or to any amendment to, or agreement or instrument supplemental to, this Assignment, and the expressions “**Article**”, “**Section**”, “**Schedule**”, “**Appendix**”

and “**Exhibit**” followed by a number or letter mean and refer to the specified Article or Section of, or Schedule, Appendix or Exhibit to, this Assignment;

- (b) “**Collateral**” means (a) all Material Agreements, and each of them, (b) all present and future books and accounts, letters, invoices, papers and documents in any way evidencing or relating to the Material Agreements, (c) all Monies and (d) all Proceeds of any of the foregoing;
- (c) “**Event of Default**” means an event of default pursuant to the Loan Agreement;
- (d) “**Loan Agreement**” has the meaning specified in recital A to this Assignment;
- (e) “**Material Agreements**” means those contracts set forth in Schedule “A” to this Assignment;
- (f) “**Monies**” means all revenues and other monies paid to or received by or now due and payable or hereafter to become due and payable to or receivable by the Assignor pursuant to or in connection with the Material Agreements;
- (g) “**Obligations**” means all debts, liabilities and obligations of the Assignor to the Lenders under or in connection with the Loan Agreement, whether present or future, direct or indirect, absolute or contingent, matured or not, at any time owing or remaining unpaid to the Lenders and all interest, fees, commissions and legal and other costs, charges or expenses;
- (h) “**Other Parties**” means the parties to the Material Agreements, other than the Assignor, which shall include all successors and assigns of any such party;
- (i) “**Person**” shall be broadly interpreted and includes an individual, a corporation, a limited liability company, a partnership, a trust, a joint venture, an association, an unincorporated organization, the government of a country or any political subdivision thereof, any agency or department of any such government, a regulatory agency or any other juridical entity and the heirs, executors, administrators or other legal representatives of an individual;
- (j) “**PPSA**” means the *Personal Property Security Act* (Alberta), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation); provided that if and to the extent that any part of the Collateral, any provision of this Assignment or any of the rights of the parties hereto is governed by the laws of any jurisdiction other than Alberta, “**PPSA**” means, for that limited purpose, the applicable personal property security legislation of such other jurisdiction, in force at the relevant time;
- (k) “**Proceeds**” has the meaning given to such term in the PPSA;
- (l) “**Security Interest**” has the meaning specified in Section 2.1; and
- (m) “**Secured Agreements**” means the Loan Agreement, all guarantees, and all other present and future documents, security agreements or other arrangements in favour of the Lenders (as those agreements may be amended, supplemented, restated and replaced from time to time), and any reference to the “Secured Agreements” herein shall be interpreted as referring to the Secured Agreements or any of them.

- 1.2 **Interpretation Not Affected by Headings Etc.** Grammatical variations of any terms defined herein have similar meanings; words (including defined terms) importing the singular shall include the plural and vice versa; and words importing gender shall include the masculine, feminine and neuter genders. The division of this Assignment into separate Articles, Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings and marginal notes and references are for convenience of reference only and shall not affect the construction or interpretation of this Assignment.
- 1.3 **Severability.** If any covenant, obligation or agreement contained in this Assignment, or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Assignment, or the application of such covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each covenant, obligation and agreement of this Assignment shall be separately valid and enforceable to the fullest extent permitted by law.
- 1.4 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
- 1.5 **Binding on Successors. Etc.** This Assignment and everything herein contained shall enure in favour of the Lenders and their successors and assigns and shall be binding upon the Assignor and its successors and permitted assigns. The Assignor may not assign any of its rights and obligations under this Assignment without the prior written consent of the Lenders.

2. **ASSIGNMENT. ETC.**

- 2.1 **Assignment.** As general and continuing collateral security for the due and timely payment and performance of Obligations, the Assignor hereby grants, assigns, conveys, transfers, pledges, hypothecates, charges, sets over and otherwise grants a security interest in, to and in favour of the Lenders, all of its right, title and interest in, to, under and in respect of the Collateral (the "**Security Interest**"). For clarity and as further noted in sections 2.4 and 2.6 below, this Assignment relates to the benefits enjoyed by the Assignor under the Material Agreements, and none of the burdens of payment or performance owed by the Assignor under these Material Agreements, which burdens shall at all times remain with the Assignor and are specifically not assumed by the Lenders.
- 2.2 **Limitations on Grant of Security.** If the Security Interest granted by the Assignor to the Lenders on any Material Agreement forming part of the Collateral or any execution of the Security Interest upon an Event of Default, which is continuing and has not been waived, would result in the termination or breach of such Material Agreement or if any Material Agreement is not assignable by law, then the applicable Material Agreement will not be subject to the Security Interest hereby created, but will be held in trust by the Assignor for the benefit of the Lenders. The Assignor shall grant a security interest in and/or assign any such Material Agreement to the Lenders. Notwithstanding the foregoing and for greater certainty, upon an Event of Default which is continuing and has not been waived, the Assignor will use commercially reasonable efforts obtain a consent and acknowledgement (in a form acceptable to the Lenders acting reasonably) from each Other Party to the Material Agreements listed in Schedule "A" hereto, which require consent to any assignment or trust.

- 2.3 **Attachment.** The Assignor confirms that (i) value has been given for the grant of the Security Interest constituted hereby, (ii) the Assignor has the rights in the Collateral (other than after-acquired Collateral), (iii) the Assignor and the Lenders have not agreed to postpone the time for attachment of such Security Interest in any of the Collateral, except for after-acquired property forming part of the Collateral, the attachment to which will occur forthwith upon the Assignor having rights therein, and (iv) the Assignor has received a duplicate original copy of this Assignment.
- 2.4 **Agreement for Security Purposes.** This Assignment is for security purposes and shall not impair or diminish any obligation of the Assignor or any Other Party or Other Parties to any Material Agreement, or the Assignor under the Obligations, and no obligation or liability arising under any Material Agreement shall be imposed upon or incurred by the Lenders by virtue of this Assignment, and the Lenders shall not, by virtue of this Assignment or the receipt by the Lenders of any Monies or other Proceeds pursuant hereto, become or be deemed to be a mortgagee in possession, and the Lenders shall not be under any obligation to take any action or exercise any remedy in collection or recovery of any Monies hereunder or to seek to or enforce the performance of the obligations of any Other Party or Other Parties under or in respect of any Material Agreement and the Lenders shall be liable to account only for such Monies as shall actually be received by the Lenders, less proper collection charges.
- 2.5 **Payment or the Monies.** Prior to the occurrence of any Event of Default, which is continuing and has not been waived, the Assignor shall have the right to receive all Monies which shall be payable to or receivable by it pursuant to the Material Agreements. On and after an Event of Default which is continuing and has not been waived or remedied, the Assignor hereby covenants and agrees that upon written notice from the Lenders, any and all Monies received by the Assignor, whether consisting of cash, cheques or other near-cash items, shall be held by the Assignor in trust for and on behalf of the Lenders, segregated from the other funds of the Assignor, and will, forthwith upon receipt by the Assignor, be delivered to the Lenders in the exact form received by the Assignor (duly endorsed by the Assignor to the Lenders, if required). Any Monies received by the Lenders pursuant to this Assignment shall be applied to such of the Obligations as the Lenders in their discretion deems appropriate or be held as part of the Collateral pursuant to the terms hereof.
- 2.6 **No Liability.** Nothing herein contained shall render the Lenders, any agents or employees of the Lenders or any other Persons for whom the Lenders are in law responsible, liable to any Person for the fulfilment or non-fulfilment of the obligations, covenants and agreements (including but not limited to the payment of any moneys thereunder or in respect thereof) of the Assignor under any Material Agreement. The Assignor hereby indemnifies and agrees to save and hold the Lenders harmless from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever of any person arising directly or indirectly from or out of any Material Agreement; provided however that such indemnity shall, in respect of any Material Agreement, not apply with (except if resulting from the Lenders' gross negligence or wilful misconduct) respect to the actions of the Lenders relating to such Material Agreement during any period where the Lenders enforce the performance of such Material Agreement, but only so long as the Lenders continue to enforce the same.
- 2.7 **Service and Registration.** The Lenders shall have the right to require the Assignor upon the occurrence and during the continuance of an Event of Default, which has not been waived, to serve the present Assignment or notice thereof on any one or more of the Other Parties to the Material Agreements and failing such service by the Assignor at

the request of the Lenders, the Lenders shall have the right to serve this Assignment or notice thereof on any one or more of the Other Parties to the Material Agreements.

2.8 **Attorney of the Assignor.** The Assignor hereby irrevocably appoints the Lenders, and any officer or agent of the Lenders, as the true and lawful attorney of the Assignor, for and on behalf of the Assignor and in the Assignor's name, with full power of substitution, at any time and from time to time after an Event of Default shall have occurred and be continuing, which has not been waived, or upon the occurrence and continuance of any default referred to in Section 2.10(a), which has not been waived, to exercise any of the rights, powers, benefits, advantages, authority and discretions which under the terms of any Material Agreement could be exercised by the Assignor with respect to such Material Agreement.

2.9 **Performance Until Default.** Subject to the rights of the Lenders under Section 2.10, until an Event of Default shall occur and be continuing, the Assignor shall be entitled to deal with the Material Agreements and collect and receive all Monies payable to the Assignor under or in connection with the Material Agreements (subject to any irrevocable direction given in respect of any such Monies) and to enforce all of the benefits, advantages and powers thereunder as though this Assignment had not been made. On and after an Event of Default which is continuing, which has not been waived, the Lenders may, but shall not be obligated to, upon written notice to the Assignor, exercise all rights, powers, benefits, advantages, authority and discretions of the Assignor in respect of the Material Agreements and to exercise the rights granted to the Lenders hereunder in respect of the Material Agreements in the place and instead of such Assignor, all of which is hereby consented to by the Assignor.

2.10 **Right to Perform.**

(a) In the event that the Assignor shall default in respect of any material obligation, duty or liability of the Assignor under any Material Agreement, which has not been waived by the Other Party, the Lenders shall have the right, but not the obligation, either before or after the occurrence of any Event of Default and without releasing the Assignor from any of their obligations hereunder, to cure such default in such manner and to such extent as the Lender may deem necessary or advisable to protect the Security Interest constituted hereby.

(b) All reasonable costs and expenses incurred by the Lenders in exercising its rights under Section 2.10(a) shall be paid by the Assignor to the Lenders forthwith following demand therefore together with interest thereon at the rate of interest specified in Section 5.8 from the time such costs and expenses were incurred.

3. REPRESENTATIONS AND COVENANTS

3.1 **Representations and Warranties.** The Assignor represents and warrants to the Lenders (and acknowledges that the Lenders are relying on such representations and warranties) that:

(a) **Material Agreement.** The Material Agreements have been duly executed and delivered by the Assignor and constitute a legal, valid and binding obligation of the Assignor enforceable against each of it in accordance with its terms.

- (b) No Assignment. The Assignor has not granted, assigned, conveyed, transferred, pledged, hypothecated, charged, or set over, or granted a security interest on or in respect of, any Material Agreement, goods that are the subject of any Material Agreement, all Proceeds arising from the Material Agreements, other than Permitted Encumbrances.
- (c) No Default. As of the date hereof, the Assignor nor, to the best of the Assignor's knowledge, any Other Party, is in default in respect of any Material Agreement and no event has occurred which with the giving of notice or lapse of time or both would constitute a default under any Material Agreement.
- (d) Assignability, Consents. All of the Material Agreements listed in Schedule "A" hereto are freely assignable, except to the extent provided for in the Material Agreements or provided for in Applicable Law.

3.2 **Covenants**. The Assignor hereby covenants and agrees with the Lenders (and acknowledges that the Lenders are relying on such covenants) that:

- (a) it shall from time to time and at all times hereafter upon written request so to do, make, do, execute and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be reasonably required by the Lenders for more effectually implementing and carrying out the intent and meaning of this Assignment. The Assignor hereby constitutes and appoints the Lenders and any officer or agent of the Lenders with full power of substitution as the true and lawful attorney of the Lenders upon the occurrence of and during the continuance of any Event of Default, with full irrevocable power and authority to do, make and execute, for and on behalf of and in the name of the Assignor, all such statements, assignments, documents, acts, matters or things with the right to use the name of the Assignor whenever and wherever it may be deemed by the Lenders to be necessary or expedient to do so; and
- (b) it will obtain the prior written consent of the Lenders (such consent not to be unreasonably withheld) before entering into any Material Agreement which is not assignable to the Lenders or which is incapable of further assignment after a default thereunder or which requires the consent of any Other Party to any such assignment or further assignment. Notwithstanding the fact that the Lenders have consented to, or may hereafter consent to, the entering into by the Assignor of a Material Agreement which is not assignable or re-assignable or which requires the consent of an Other Party to an assignment of the same, at the request of the Lenders, acting reasonably, at any time and from time to time, the Lenders will use reasonable commercial efforts to cause any Other Party or Other Parties to such Material Agreement to consent to and acknowledge any or all of the rights of the Lenders in and to such Material Agreement by virtue of this Assignment, in such form or forms as the Lenders may reasonably require.

4. GENERAL

4.1 **No Release**. This Assignment shall remain in full force and effect without regard to, and the obligations of the Assignor hereunder shall not be affected or impaired by:

- (a) any amendment, modification, replacement of or addition or supplement to this Assignment, the Loan Agreement, other Secured Agreements or any other agreement or security provided to the Lenders with respect to any Obligations; or
- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Assignment, the Loan Agreement, other Secured Agreements or any other agreement or security provided to the Lenders with respect to any Obligations; or
- (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Assignment, the Loan Agreement, other Secured Agreements or any other agreement or security provided to the Lenders with respect to any Obligations; or
- (d) any default by the Assignor under, or any invalidity or unenforceability of, (subject to Section 4.2) any limitation of the liability of the Assignor or on the method or terms of payment under, or any irregularity or other defect in the Loan Agreement, other Secured Agreements or any other agreement or security provided to the Lender with respect to any Obligations; or
- (e) any merger, consolidation or amalgamation of the Assignor into or with any other Person; or
- (f) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor.

4.2 **Termination of this Assignment.** Upon the payment and performance in full of all of the Obligations, the termination of all rights of the Assignor to receive any additional credit from the Lenders under the Loan Agreement and the payment and performance by the Assignor of all of the Obligations, this Assignment shall be and become fully ended and terminated and all right, title, estate and interest in and to each Material Agreement granted, assigned, conveyed, transferred, pledged, hypothecated, charged, or set over, or granted a security interest on or in respect thereof by the Assignor hereunder shall revert to the Assignor and all covenants and agreements of the Assignor hereunder shall be at an end and the Lenders shall, upon the written request of the Assignor and at the expense of the Assignor, execute such discharges, re-assignments and other instruments and give such notifications or assurances as may be necessary to fully release, cancel and discharge this Assignment in the circumstances.

4.3 **No Partnership.** Nothing herein contained shall be deemed or construed by the parties hereto or by any Other Party as creating the relationship of principal and agent or of partnership or of joint venture between the Assignor and the Lenders; it being understood and agreed that none of the provisions herein contained or any acts of the Lenders or of the Assignor shall be deemed to create any relationship between the Lenders and the Assignor other than the relationship of assignee and Assignor.

4.4 **Rights and Remedies Cumulative.** The rights or remedies given to the Lenders hereunder shall be cumulative of and not substituted for any rights or remedies to which the Lenders may be entitled under the Loan Agreement, other Secured Agreements or any other agreement or security provided to the Lender with respect to any Obligations or under statute or at law and may be exercised whether or not the Lenders have pursued or is then pursuing any other such rights and remedies. Further, nothing in this Assignment shall curtail or limit the remedies of the Lender as permitted by law or in any

statute to a creditor, all such remedies being in addition to and not in substitution for any other rights of the Lenders under this Assignment, the Loan Agreement, other Secured Agreements or any other agreement or security provided to the Lender with respect to any Obligations.

- 4.5 **Continuing Security**. This Assignment and the rights and remedies it creates are a continuing agreement and security, and shall bind the parties until discharge of this Assignment as provided in Section 5.2 hereof.
- 4.6 **Continuing Liability of the Assignor**. The Assignor will remain liable for any Obligations that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.
- 4.7 **After Acquired Property**. The Assignor covenants and agrees that if and to the extent that its right, title, estate and interest in any Material Agreement is not acquired until after delivery of this Assignment, this Assignment shall nonetheless apply thereto, and the Security Interest of the Lenders hereby created shall attach to any such Material Agreement at the same time as the Assignor acquires rights therein, without the necessity of any further assignment or other assurance.
- 4.8 **Interest**. If any amount payable to the Lenders under this Assignment is not paid when due, the applicable Assignor will pay to the Lenders, on demand, interest on such amount from the date due until paid, which interest shall be calculated daily for the period commencing on and including the date due and ending on but excluding the date of actual payment (both before and after demand, default and judgment), at a rate of interest per annum equal to the highest rate of interest then applicable in respect of any of the Obligations, which rate per annum will change automatically without notice to such Assignor as and when such maximum rate changes; such interest shall be compounded on the last Business Day of each month during the period of arrears. All amounts payable by the Assignor to the Lenders under this Assignment, and all interest on all such amounts, will form part of the Obligations and will be secured by the security constituted hereby.
- 4.9 **Time of Essence**. Time shall be of the essence of this Assignment.
- 4.10 **Notices**. Subject to the express provisions of this Assignment, all communications provided for or permitted hereunder shall be given in accordance with the Loan Agreement.
- 4.11 **Waiver**. No consent or waiver, express or implied, by the Lenders to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such Assignor hereunder. Failure on the part of the Lenders to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not, by itself, constitute a waiver by the Lenders of the Lenders' rights hereunder.
- 4.12 **Amendments**. This Assignment may not be modified or amended except with the written consent of the Assignor and the Lenders.
- 4.13 **Acknowledge of Receipt**. The Assignor acknowledges receipt of an executed copy of this Assignment and of the financing statement filed in respect of the Security Interest constituted hereby under the PPSA.

- 4.14 **Counterparts and Facsimile**. This Assignment may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. For the purposes of this Section, the delivery of a facsimile or email copy in PDF format of an executed counterpart of this Assignment shall be deemed to be valid execution and delivery thereof.

[SIGNATURES ON PAGE TO FOLLOW]

IN WITNESS WHEREOF each of the parties hereto has duly executed this Assignment as of the date indicated on the first page of this Assignment.

MANTLE MATERIALS GROUP, LTD.

Per: *Byron Levkulich*
Byron Levkulich (Apr 13, 2021 18:40 MDT)

Name: Byron Levkulich

Title: Director

I have the authority to bind the company

JMB CRUSHING SYSTEMS INC.

Per: *Byron Levkulich*
Byron Levkulich (Apr 13, 2021 18:40 MDT)

Name: Byron Levkulich

Title: Director

I have the authority to bind the company

2161889 ALBERTA LTD.

Per: *Blake M. Elyea*
Blake M. Elyea (Apr 20, 2021 21:55 PDT)

Name: Blake Elyea

Title: Chief Restructuring Advisor

I have the authority to bind the corporation

[Signature page of Assignment of Material Agreements]

SCHEDULE "A"

MATERIAL AGREEMENTS

1. 216 Dispositions

- (a) Surface Material Lease No. 080085 in favour of 216 dated April 26, 2012 in respect of Aggregate Pit JLG 3 located within NW-12-63-19 W4M and SW-13-63-19 W4M.
- (b) Surface Material Lease No. 100085 in favour of 216 dated June 24, 2016 in respect of Aggregate Pit JLG 4 located within NE-12-63-19 W4M and NW-12-63-19 W4M.
- (c) Surface Material Lease No. 110025 in favour of 216 dated February 11, 2014 in respect of Aggregate Pit JLG 5 located within NE-11-61-18 W4M.
- (d) Surface Material Lease No. 110026 in favour of 216 dated April 11, 2012 in respect of Aggregate Pit JLG 6 located within SE-11-61-18 W4M.
- (e) Surface Material Lease No. 110045 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 7 located within SE-15-61-18 W4M and NE-15-61-18 W4M.
- (f) Surface Material Lease No. 110046 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 8 located within NE-15-61-18 W4M and NW-15-61-18 W4M.
- (g) Surface Material Lease No. 120006 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 11 located within NW-14-61-18 W4M.
- (h) Surface Material Lease No. 120100 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 12 located within SE-21-61-18 W4M.
- (i) Surface Material Lease No. 110047 in favour of 216 located within SE-15-61-18 W4M, SW-15-61-18 W4M, and NW-15-61-18 W4M.
- (j) Surface Material Lease No. 120005 in favour of 216 located within SW-14-61-18 W4M and NW-14-61-18 W4M.
- (k) Surface Material Lease No. 060060 in favour of 216 located within SW-13-65-18-W4M.
- (l) Department Licence of Occupation 170011 in favour of 216 located within SE-13-65-18-W4M and SW-13-65-18-W4M.

2. JMB Dispositions

- (a) Surface Material Lease No. 120027 in favour of JMB located within SW-30-63-08-W4M.
- (b) Surface Material Lease No. 930040 in favour of JMB located within SE-23-61-07-W4M.

- (c) Surface Material Lease 980116 in favour of JMB located within SW-21-63-12-W4M.
- (d) Department Miscellaneous Lease 120032 in favour of JMB located within NW-20-74-8-W4M.
- (e) Surface Materials Exploration 150106 in favour of JMB located within SW-26-75-11-W4M, SE-34-75-11-W4M, NW-23-75-11-W4M, NE-27-75-11-W4M, SW-35-75-11-W4M, and NW-26-75-11-W4M.
- (f) Surface Materials Exploration 200009 in favour of JMB located within NE-30-81-6-W4M, NE-31-81-6-W4M, SE-31-81-6-W4M, and SW-31-81-6-W4M.

3. **Royalty Agreements**

- (a) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge Canada Inc. ("**Lafarge**") in respect of the Aggregate Pit referred to as Moose River for which Lafarge has a surface material lease identified as SML 100043 located at SW-35-61-7-W4M and having 18.46 acres.
- (b) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge in respect of the Aggregate Pit referred to as Oberg for which Lafarge had registration number 15215-01-01 located on lands described as SE-5-62-7-W4 and having 159.88 acres.
- (c) Royalty Agreement made as of October 29, 2018 between JMB and Jerry Shankowski (945441 Alberta Ltd.) in respect of an Aggregate Pit located at SW 21-56-7-W4, which Aggregate Pit is registered under the EPEA as registration no. 308161-00-00.
- (d) Royalty Agreement made as of November 8, 2018 between Helen Havener, Gail Havener and JMB in respect of the Aggregate Pit located at NW 16-56-7-W4M, which Aggregate Pit is registered under the EPEA as registration no. 17395-01-00.
- (e) Royalty Agreement made as of February 26, 2020 between Darren Andrychuk & Daphne Andrychuk and JMB in respect of the Aggregate Pit located at SW 15-57-14-W4.

4. **Other Contracts**

- (a) Lease dated September 1, 2011 between 489786 Alberta Ltd., as landlord, and JMB, as tenant, as amended September 3, 2015, December 12, 2016, February 26, 2018 and March 1, 2020, in respect of the lands and premises located at NW-20-61-5-4 in Bonnyville, Alberta.
- (b) Supply agreement entered into November 1, 2013 between the Municipal District of Bonnyville No. 87 and JMB, as amended by the first amendment dated September 30, 2015, the second amendment dated December 12, 2016, the third amendment dated February 26, 2018, and the amendment to agreement dated February 28, 2020.

- (c) Cenovus Energy master service and supply agreement 700322 effective as of March 13, 2020 between Cenovus Energy Inc. and JMB.
- (d) Commitment Letter dated January 8, 2018 between Canadian Western Bank and 216, as amended, together with all cash collateral security delivered in connection therewith and the rights of the Vendors in respect of the letters of credit issued by Canadian Western Bank thereunder, including:
 - i. the letter of credit in the amount of \$19,540 issued in connection with the 216 Disposition identified as SML 080085;
 - ii. the letter of credit in the amount of \$42,010 issued in connection with the 216 Disposition identified as SML 100085;
 - iii. the letter of credit in the amount of \$79,690 issued in connection with the 216 Disposition identified as SML 110025;
 - iv. the letter of credit in the amount of \$77,540 issued in connection with the 216 Disposition identified as SML 110026;
 - v. the letter of credit in the amount of \$57,030 issued in connection with the 216 Disposition identified as SML 110045;
 - vi. the letter of credit in the amount of \$44,380 issued in connection with the 216 Disposition identified as SML 110046;
 - vii. the letter of credit in the amount of \$25,690 issued in connection with the 216 Disposition identified as SML 120006;
 - viii. the letter of credit in the amount of \$29,650 issued in connection with the 216 Disposition identified as SML 120100;
 - ix. the letter of credit in the amount of \$46,110 issued in connection with the 216 Disposition identified as SML 110047;
 - x. the letter of credit in the amount of \$78,110 issued in connection with the 216 Disposition identified as SML 120005; and
 - xi. the letter of credit in the amount of \$41,440 issued in connection with the 216 Disposition identified as SML 060060;
- (c) Contracts granting a licence or other right to use the Axon software, the ISNetwork software and the software provided by ComplyWorks Ltd..
- (d) Non-competition agreement dated March 22, 2019 between 541466 Alberta Ltd., Lisa Ball, Gordon Ball, and JMB.
- (e) Master Equity Vehicle Lease Agreement dated August 23, 2019 between Enterprise Fleet Management Canada, Inc. and JMB, together with Open-End (Equity) Lease Schedule in respect of 2019 Ford, Model F-150, Series XLT 4x4 SuperCrew Cab Styleside 6.5, 1FTFW1E52KFC66669.

LAND TITLES ACT
MORTGAGE OF LEASE

2161889 ALBERTA LTD.

TO

**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 the
Lenders (as herein defined)**

MORTGAGE OF LEASE

Land Titles Act

RECITALS

WHEREAS:

A. The Mortgagor is the owner of a leasehold estate in the Lands as tenant under the Lease;

B. The Mortgagee established non-revolving term loan credit facilities by way of three tranche advances of \$14,000,000, \$4,000,000 and \$5,000,000, respectively, pursuant to the amended and restated loan agreement dated December 14, 2018, among the Mortgagor, as borrower, and the Mortgagee, as lender, and the Guarantor (as defined therein) (as amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Fund V Loan Agreement**");

C. Fund VI (as defined herein) has agreed to establish an additional \$2,500,000 non-revolving term loan credit facility for the Mortgagor on the terms and conditions set out in the loan agreement dated October 17, 2019, among the Mortgagor, as borrower, Fund VI, as lender, and the Guarantors (as defined therein) (as amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Fund VI Loan Agreement**", and together with the Fund V Loan Agreement, the "**Loan Agreements**");

D. The Mortgagee is acting as collateral agent and representative for and on behalf of and for the benefit of the Lenders in respect of all security now or hereafter granted by the Mortgagor to the Lenders to secure all or any portion of the indebtedness and obligations owing by the Mortgagor to the Lenders under the Loan Agreements; and

E. As security for repayment of the Principal Sum (as defined herein) together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage of Lease in favour of the Mortgagee, as collateral agent for and on behalf of and for the benefit of the Lenders.

NOW THEREFORE in consideration of the covenants and promises contained herein, the Mortgagor and Mortgagee covenant each with the other as follows:

1.1 Definitions

Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement and in this Mortgage of Lease:

- (a) "**Assignment**" means the assignment of rents, subleases and warranties contained in Section 7.1 herein;
- (b) "**Business Days**" means days other than Saturdays, Sundays and statutory holidays in the Province of Alberta;
- (c) "**Collateral Security**" means the additional and collateral security, if any, which is required by the Lenders to be granted by the Mortgagor or others pursuant to the provisions of this Mortgage of Lease and the Loan Agreements;
- (d) "**Event of Default**" means "Event of Default" as defined in the Loan Agreements;

- (e) **“Fund V Loan Agreement”** has the meaning as set out in the recitals;
- (f) **“Fund VI”** means Fiera Private Debt Fund VI LP, by its general partner, Fiera Private Debt Fund GP Inc.;
- (g) **“Fund VI Loan Agreement”** has the meaning as set out in the recitals;
- (h) **“Hazardous Substance”** means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:
 - (i) radioactive materials;
 - (ii) explosives;
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant;
 - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - (A) endangers the health, safety or welfare of persons or the health of animal life;
 - (B) interferes with normal enjoyment of life or property; or
 - (C) causes damage to plant life or to property;
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls; and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee or the Lands;
- (i) **“Improvements”** means all buildings, erections, improvements and fixtures fixed or otherwise, now or hereafter placed, affixed, installed or otherwise put upon the Lands including any chattels, inventory, products, stock in trade, goods for sale, computers, operating equipment, furniture, telephone systems, alarm systems, displays, trade fixtures, manufacturing equipment, alterations, improvements, additions, shades, awnings, signs, shelves, racks, racking systems, counters, slat wall, portable ramps and office equipment;
- (j) **“Indebtedness”** means all or any portion of the indebtedness and obligations owing by the Mortgagor to the Lenders under the Loan Agreements and promissory notes related thereto;
- (k) **“Interest Rate”** means a rate of twenty five (25%) per cent per annum, calculated and compounded monthly, not in advance. Notwithstanding any other term of this Mortgage of Lease:

- (i) if the charge constituted by this Mortgage of Lease becomes enforceable, the Mortgagor will not be liable to pay under this Mortgage of Lease any greater amount than the aggregate of its Indebtedness (as defined in the Loan Agreements); and
 - (ii) full payment to the Mortgagee of interest payable pursuant to the Loan Agreements for any period of time shall fully satisfy and discharge the obligation of the Mortgagor to pay interest on the Principal Sum of this Mortgage of Lease during that period of time.
- (l) “**Lands**” means that parcel or parcels of land situate in the Province of Alberta and legally described in Schedule “A” attached hereto, together with all Improvements, and includes, the Mortgagor’s leasehold interest in and to the Lands under the Lease;
 - (m) “**Lease**” means, collectively and individually, those leases described in Schedule “A” attached hereto;
 - (n) “**Lenders**” means the Mortgagee and Fund VI;
 - (o) “**Loan Agreements**” has the meaning as set out in the recitals;
 - (p) “**Mortgage of Lease**” means this mortgage together with all recitals and all schedules attached hereto;
 - (q) “**Mortgagee**” means the 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 the Lenders;
 - (r) “**Mortgagee’s Address**” means 20 Adelaide Street East, Suite 1500, Toronto, Ontario, M5C 2T6, or such other address as the Mortgagee shall from time to time advise in writing;
 - (s) “**Mortgagor**” means 2161889 Alberta Ltd.;
 - (t) “**Mortgagor’s Address**” means c/o Resource Land Holdings, LLC, 1400 26th Street, Suite 320, Denver, Colorado, 80202, or such other address as the Mortgagor shall from time to time advise in writing;
 - (u) “**Principal Sum**” means the sum of Twenty-Five Million Five Hundred Thousand (\$25,500,000.00) Dollars in lawful money of Canada;
 - (v) “**Prior Charge**” means any mortgage, lien, agreement for transfer or sale, encumbrance, interest in land, interest in the leasehold estate, or other charge or claim upon or with respect to the Lands and/or the Mortgagor’s interest in the Lands, which has or may have or which may acquire priority to this Mortgage of Lease, including, without restriction, the Lease;
 - (w) “**Real Estate Taxes**” means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and/or the Mortgagor’s interest in the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage of Lease or on the Mortgagee in respect of this Mortgage of Lease

or on the monies secured by this Mortgage of Lease or on the Lands and/or the Mortgagor's interest in the Lands; and

- (x) **"Receiver"** means any person or persons appointed by the Mortgagee in accordance with Section 6.1 herein and includes a receiver, and a receiver and a manager.

1.2 Preamble and Schedule(s) Incorporated

The parties hereby confirm and ratify the matters contained and referred to in the preamble to this Mortgage of Lease and agree that same and the schedule(s) attached hereto are expressly incorporated into and form part of this Mortgage of Lease.

1.3 Schedules

The schedules to this Mortgage of Lease are as follows:

Schedule "A" - The Lands and Description of Lease

ARTICLE 2

2.1 Security of the Principal Sum

The Mortgagor mortgages all of the Mortgagor's leasehold interest in and to the Lands to the Mortgagee, as collateral agent, for the purposes of securing payment of the Principal Sum secured, interest and all other amounts or sums secured by this Mortgage of Lease.

2.2 Repayment

- (a) Without the necessity of a prior demand, the Mortgagor shall pay to the Mortgagee at the Mortgagee's address, the Indebtedness secured hereby, at the times and in the manner set out in the Loan Agreements and Collateral Security.
- (b) Notwithstanding any other term of this Mortgage of Lease, if the charge constituted by this Mortgage of Lease becomes enforceable, the Mortgagor will not be liable to pay under this Mortgage of Lease any greater amount than the aggregate sum of the Indebtedness.
- (c) Notwithstanding any other term of this Mortgage of Lease, full payment to the Mortgagee of interest payable pursuant to the Loan Agreements for any period of time shall fully satisfy and discharge the obligation of the Mortgagor to pay interest on the Principal Sum of this Mortgage of Lease during that period of time.
- (d) This Mortgage of Lease is declared to be collateral of the Indebtedness and is intended to be a continuing security for the Indebtedness which may include without limitation, revolving credit facilities, and it shall subsist notwithstanding any increase or reduction in the amount of the Indebtedness and notwithstanding the fulfillment from time to time, whether in whole or in part, of any Obligation of the Mortgagor; this Mortgage of Lease shall have full force and effect until the execution of a discharge by the Mortgagee.

ARTICLE 3

3.1 Insurance

The Mortgagor shall forthwith insure the Lands and all chattels located thereon in accordance with the insurance requirements set out in the Loan Agreements.

3.2 Payment of Real Estate Taxes

The Mortgagor shall pay as they become due all Real Estate Taxes and shall submit to the Mortgagee tax receipts evidencing payment within thirty (30) days after they become due, provided that:

- (a) at the request of the Mortgagee, the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after the receipt of same by the Mortgagor;
- (b) if the Mortgagor defaults in payment of the Real Estate Taxes, the Mortgagee may, but shall not be obliged to, pay all Real Estate Taxes and all monies expended by the Mortgagee for such purpose, together with interest thereon at the applicable Interest Rate, shall be added to the Principal Sum (such interest to run from the date of payment by the Mortgagee), and shall be a charge upon the Lands and shall be repaid by the Mortgagor to the Mortgagee forthwith upon demand;
- (c) the Mortgagor shall, during an Event of Default which has occurred and is continuing and at the option of the Mortgagee, pay to the Mortgagee such sums in addition thereto as the Mortgagee shall compute to be required to provide a fund sufficient to pay in full the Real Estate Taxes when such taxes become due and payable and the Mortgagee shall be at liberty to exercise its discretion at any time during the currency of this Mortgage of Lease, provided that an Event of Default has occurred and is continuing. A forbearance by the Mortgagee to exercise its discretion, either at the commencement of the term or at any other time thereafter, shall in no way affect or preclude the Mortgagee from requiring the Mortgagor to pay instalments for Real Estate Taxes at any subsequent time. The following provisions shall apply to this subsection:
 - (i) in the event that the Real Estate Taxes actually charged for any particular year exceed the estimated amount or in the event of any part of the estimated amount paid to the Mortgagee being applied by the Mortgagee in or towards principal and interest or other monies in default, the Mortgagor will pay to the Mortgagee on demand the amount required to satisfy the deficiency;
 - (ii) so long as no Event of Default has occurred and is continuing, the Mortgagee shall apply such payments on the Real Estate Taxes, but the Mortgagee shall be under no obligation to apply such payments more often than yearly;
 - (iii) if before any such sum or sums in the hands of the Mortgagee shall have been so applied there shall be an Event of Default which has occurred and is continuing, the Mortgagee may, at its option, apply such sum or

sums in or towards payment of principal, interest or other monies so in default; and

- (iv) if the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Real Estate Taxes, then it shall pay to the Mortgagee such additional amounts as in the opinion of the Mortgagee are required for that purpose; provided always, that the Mortgagee may, at its option, decide to prepay either in whole or in part any Real Estate Taxes.

3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any act of waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands and without cost and expense to the Mortgagee will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and will promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to maintain or repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements or which is not required pursuant to the terms of this Lease.
- (c) The Mortgagee by its agents, solicitors or inspectors may, subject to the rights of the landlord under the Lease and, so long as no Event of Default exists, upon reasonable prior notice, enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee, the Lands not be in a proper state of repair in accordance with the requirements of this Mortgage of Lease, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements, or commence making such repairs or replacements, as the Mortgagee deems proper within a period of twenty (20) Business Days and in the event of the Mortgagor not having complied or not being in the process of diligently complying with such request, then such non-compliance shall be deemed an Event of Default for the purposes hereunder and the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence and the cost thereof shall be paid for by the Mortgagor upon demand and until paid shall be secured by this Mortgage of Lease, bear interest at the determined Interest Rate and be a charge upon the Lands in priority to the interest of the Mortgagor. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or, should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same, and, the Mortgagee, in its sole discretion, deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such event, the Mortgagee shall be entitled to so enter and such

action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.

- (e) In the ownership, operation and management of the Lands, the Mortgagor will observe and comply with all applicable federal, provincial and local bylaws, statutes, rules, ordinances and regulations, orders, directions and restrictions including, without limitation, all zoning and building codes affecting the Lands in force from time to time.

3.4 Fixtures

All Improvements shall, immediately upon being placed on the Lands, become fixtures and form a part of the realty and of the security of these presents, and are included in the expression the "Lands", where used in this Mortgage of Lease.

3.5 Indemnity

The Mortgagor hereby indemnifies and saves harmless the Mortgagee and its successors and assigns from and against any and all losses, liabilities, damages, costs and expenses of any kind whatsoever including, without limitation:

- (a) the costs of defending, counter-claiming or claiming against third parties in respect of any action or matter including legal fees, costs and disbursements on a solicitor and his own client basis and at all court levels;
- (b) any cost, liability or damage arising out of a settlement of any action entered into by the Mortgagee with or without the consent of the Mortgagor; and
- (c) the costs of repair, clean-up or restoration paid by the Mortgagee and any fines levied against the Mortgagee;

which at any time or from time to time may be paid, incurred or asserted against the Mortgagee, as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release, of Hazardous Substances from the Lands either onto any lands (including the Lands), into the atmosphere or into any water. This indemnification shall survive the satisfaction, release or enforcement of this Mortgage of Lease or Collateral Security and the full repayment of the Indebtedness.

3.6 Hazardous Substance

The Mortgagor represents, covenants and warrants to and in favour of the Mortgagee, as collateral agent, that:

- (a) neither the Mortgagor, nor, to the best knowledge of the Mortgagor, any other person has ever caused or permitted any Hazardous Substances to be placed, held, located or disposed of on, under or at the Lands in contravention of any applicable laws intended to protect the environment, save and except as disclosed to the Mortgagee in writing;
- (b) it shall not allow any Hazardous Substances to be placed, held, located or disposed of on, under or at the Lands in contravention of any applicable laws intended to protect the environment;

- (c) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (d) to the extent that Hazardous Substances are placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
 - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances;
 - (ii) at the reasonable request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor;
- (e) without restricting the generality of the foregoing, in the event that gasoline or other storage tanks are located under or on the Lands, the Mortgagor shall:
 - (i) maintain and repair such storage tanks in a prudent manner; and
 - (ii) at the request of the Mortgagee, assign any warranties or guarantees received from the manufacturer or installer of such storage tanks in favour of the Mortgagee as additional security.

ARTICLE 4

4.1 Mortgagor's Representations and Warranties

The Mortgagor covenants with the Mortgagee and represents and warrants to the Mortgagee that:

- (a) the Mortgagor is the lawful tenant or lessee of the Lands and has a good and marketable leasehold estate or interest in that portion of the Lands;
- (b) the Lands are leased to the Mortgagor pursuant to the Lease and the Lease is good, valid and subsisting;
- (c) all rents and other moneys payable under the Lease have been paid and the Mortgagor is not in default of any of the Mortgagor's other obligations set out in the Lease;
- (d) the Mortgagor will pay rent and all other amounts, and perform and observe all other obligations of the lessee or tenant, all as required by the Lease, failing which the Mortgagee may (but is not required to) make any such payments or perform or observe any such obligations;
- (e) the Mortgagor will not surrender the Lease or cause or allow it to be terminated or forfeited;
- (f) the Mortgagor will not agree to any material amendment of the Lease, including those which will have a material adverse change on the value or the current use of the Land without first obtaining the Mortgagee's written consent;

- (g) the Mortgagor will promptly give the Mortgagee a copy of any material notice, demand or request that the Mortgagor receives relating to the Lease or the Lands;
- (h) the Mortgagor has the right to mortgage its leasehold interest or estate in the Lands;
- (i) that, during an Event of Default which has occurred and is continuing, the Mortgagee shall have quiet possession of the Lands, subject to Permitted Encumbrances;
- (j) the Mortgagor will execute such further assurances in respect of the Lands and the Lease as may be requisite;
- (k) the Mortgagor has done no act to encumber its leasehold estate or interest in the Lands save and except for Permitted Encumbrances;
- (l) the Mortgagor shall stand possessed of the last day of the term reserved by the Lease and shall hold it in trust for the Mortgagee for the purpose of this Mortgage of Lease. The Mortgagor shall assign and transfer such interest as instructed by the Mortgagee without cost or expense to the Mortgagee. Upon any sale, assignment, sublease or other disposition of the Lease, the Mortgagee shall, for the purpose of vesting the residue of any such term in any purchaser, sublessee or such other acquirer of the Lease, be entitled by written agreement to assign to such other person, the residue of any such term in place of the Mortgagor and to vest the residue freed and discharged from any obligation whatsoever respecting the same;
- (m) if the Credit Facilities remain outstanding at such time, the Mortgagor will at the proper time and times take such proceedings and make, do and execute all such acts, deeds, matters and things as may be requisite for obtaining the renewal of any lease (including, without limitation, the Lease) under which the Mortgagor derives a leasehold interest in the Lands and upon the Mortgagor obtaining any such renewal this Mortgage of Lease shall extend to the term of such renewal save and except the last day of such renewal terms and such renewals shall be subject to this Mortgage of Lease;
- (n) upon the occurrence and during the continuance of an Event of Default, the Mortgagor will assign and dispose of its interest in the Lease as the Mortgagee may direct subject as herein provided; the Mortgagor hereby irrevocably appoints the Mortgagee (or such person as the Mortgagee may specify) as the Mortgagor's substitute to be the Mortgagor's attorney during the continuance of this security and for and on behalf of the Mortgagor, upon the occurrence and during the continuance of an Event of Default, to assign the Lease and convey the leasehold estate of the Mortgagor as the Mortgagee shall direct, and in particular, upon any realization made by the Mortgagee on this security, to assign the Lease and convey the leasehold estate of the Mortgagor to the Mortgagee or anyone designated by the Mortgagee; and, in such circumstances, the Mortgagor will, with respect to the said Lease and other documents, at the request of the Mortgagee but at the cost, charge and expense of the Mortgagor grant and assign unto the Mortgagee or whom it may appoint the last day of the said term hereinbefore excepted, or any renewal or substituted term;

- (o) nothing contained herein shall render the Mortgagee a mortgagee in possession or accountable for any monies except those actually received;
- (p) if the Mortgagor shall refuse or neglect to renew the Lease or any renewals thereof to be hereafter granted, and to pay the fees, costs, charges and expenses incidental to and payable upon such renewals, then and as often as it shall happen, the Mortgagee may, if it thinks proper, effect such renewals in its own name or otherwise, and in that case every such new lease and the Lands and buildings or part thereof thereby demised shall remain and be a security to the Mortgagee for the payment of all money paid by it for such renewal and its costs, charges and expenses as for any other sums that may be due by virtue of this Mortgage of Lease;
- (q) the Mortgagor shall not take advantage of any provisions under the Lease which permit or have the effect of deferring payment of rents or any other payments such that such rents or payments would accrue and become due and owing at a future date, without having first obtained the Mortgagee's prior written consent, which may not be unreasonably withheld; and
- (r) upon an Event of Default which has occurred and is continuing, the Mortgagee may enter into possession of the Lands or the appropriate part thereof and hold and enjoy the same for the then residue of the term of years herein contemplated, without the let, suit, hindrance, interruption or denial of the Mortgagor or of any person whatsoever, and receive and take the rents, issues and profits thereof, and whether in or out of possession make any such sublease as it shall think fit, and may also sell and absolutely dispose of the same in any manner whatsoever.

ARTICLE 5

5.1 Event of Default

During an Event of Default which has occurred and is continuing:

- (a) the Mortgagee may, at its option, and at the Mortgagor's expense and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation;
- (b) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (c) it shall and may be lawful for, and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the Lands as much of the Indebtedness as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (d) the Mortgagee may, at its option, transfer, sell, assign, sublease, mortgage or otherwise dispose of or deal with the Mortgagor's interest in and to the Lands, without entering into possession of the same and without giving any notice to the Mortgagor of the Mortgagee's intention to do so. Any transfer, sale, assignment,

sublease or mortgage made under the powers hereby given may be on such terms as to credit or otherwise as shall in the opinion of the Mortgagee be most advantageous and for such price as can be reasonably obtained therefor and such sale may be made of any portion or portions of the Lands, from time to time. The Mortgagee may make any stipulation as to title or otherwise as the Mortgagee may deem proper and the Mortgagee may rescind or vary any contract for transfer of any of the Lands and retransfer without being responsible for any loss occasioned thereby. The proceeds of any transfer shall be applied in payment of the Indebtedness, all legal costs of the Mortgagee as between a solicitor and his own client on a full indemnity basis and the balance, if any, to be paid to the Mortgagor. Any such transfer shall be absolutely conclusive as against the Mortgagor or any persons claiming by, from, through or under the Mortgagor and its assigns and in the event of a transfer on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable or charged with any monies until the same shall be actually received by it in cash;

- (e) the whole of the Indebtedness shall, at the option of the Mortgagee, become due and payable;
- (f) the Mortgagee may take such proceedings to realize on the Mortgagee's security created by this Mortgage of Lease or the Collateral Security by foreclosure or otherwise as the Mortgagee may by law be entitled to do;
- (g) the Mortgagee may exercise each of the foregoing powers, together with all other rights and powers provided for in this Mortgage of Lease, without notice to the Mortgagor; and
- (h) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.2 No Merger

The giving and taking of this Mortgage of Lease shall in no way merge or affect any other security or securities that may have been, or that may hereafter be given in respect of any amount secured by this Mortgage of Lease, or any part thereof, or impair or affect any such security or securities or any remedy thereunder, and all rights and remedies which the Mortgagee now has or may hereafter have against the Mortgagor or any other person or entity are hereby reserved. The Mortgagor agrees that the taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Indebtedness or performance of the obligations hereby secured or the entering into of any arrangement, including the granting of time, compromise, release or discharge or the termination of any causes of action, claim or right whatsoever by the Mortgagee against the Mortgagor or any other person or entity, whether prejudicial or beneficial to any one or more of them, shall not operate as a merger of such covenant or affect the rights or remedies of the Mortgagee, or affect the Mortgagee's right to interest at the Interest Rate on any monies which are owing to the Mortgagee and such judgment shall provide that interest thereon shall be computed at the Interest Rate in the same manner as provided for herein until the judgment has been paid in full.

The Mortgagor acknowledges that it is aware of the provisions of the *Judgment Interest Act*, R.S.A. 2000, c. J-1, dealing with the award of interest from the date a cause of action arises to the date of judgment, and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof, and agrees to pay interest in accordance with the terms of this Mortgage of Lease, both before and after default, maturity and judgment.

5.3 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, or any Collateral Security, either with or without any consideration therefor and without being accountable either for the value thereof, or for any money except that which is actually received, and without thereby releasing or affecting any other of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor or any other security.

5.4 No Obligation to Advance

Neither execution nor registration nor acceptance of this Mortgage of Lease, nor the advance of part of the Principal Sum shall bind the Mortgagee to advance the Principal Sum or any unadvanced portion thereof, but nevertheless this Mortgage of Lease shall take effect forthwith on its execution and if the Principal Sum or any part thereof shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates and the amount of such advances when so made shall be secured hereby and repayable with interest as herein provided. In all events, the advance of the Principal Sum or any part thereof from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the Mortgagee.

5.5 Additional Charges

All solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this Mortgage of Lease and for examining the Lands and the title thereto, and for making or maintaining this Mortgage of Lease as a valid and subsisting charge on the Lands, together with all sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, Real Estate Taxes, rates or in or toward payment of any Prior Charge, or in maintaining, repairing, restoring or completing the Lands, and in inspecting, leasing, managing, or improving the Lands, including the price or value of any goods of any sort or description supplied to be used on the Lands, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting, and legal costs as between a solicitor and his own client for any purpose herein provided or whether or not such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise, are to be secured hereby and shall be a charge on the Lands, together with interest thereon, and all such monies shall be repayable to the Mortgagee on demand. It is the express intention and agreement of the Mortgagor and Mortgagee that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage of Lease.

5.6 Right of Subrogation

In the event of the Principal Sum advanced hereunder or any part thereof being applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of, and stand in the position of and be entitled to all the equities of the party so paid whether such charge or encumbrance has or has not been discharged, and the decision of the

Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage of Lease or of any claim so paid shall be final and binding on the Mortgagor.

5.7 Monies Received or Collected

The Mortgagee shall not be charged with any monies receivable or collectable out of the Lands or otherwise except those actually received, and all revenue of the Lands received or collected by the Mortgagee from any source other than payment by the Mortgagor may at the option of the Mortgagee be retained in a suspense account or used in maintaining or insuring or improving the Lands, or in payment of Real Estate Taxes or other charges against the Lands, or applied on the mortgage account, and the Mortgagee shall not be under any liability to pay interest on any sums in a suspense account.

5.8 Discharge

Any discharge of this Mortgage of Lease shall be prepared by the solicitor of the Mortgagor and the Mortgagee shall have a reasonable time after receipt of payment in full within which to have prepared and to execute such discharge. A tender of the Indebtedness shall not entitle the Mortgagor to immediately receive such discharge.

5.9 Exercise of Discretion

Any discretion, option, decision or opinion hereunder on the part of the Mortgagee shall be sufficiently exercised or formed if exercised, or formed by or subsequently ratified by the manager or acting manager for the time being or by an executive officer of the Mortgagee, or any officer or agent appointed by the Mortgagee for that purpose.

5.10 Default Under Prior Charge

The Mortgagee shall be at liberty during an Event of Default which has occurred and is continuing, but shall not be obligated, to pay any arrears or other sums payable under a Prior Charge, pay off all or any portion of the principal or interest thereby secured or take such steps including expending of monies as may, in the sole discretion and opinion of the Mortgagee, be necessary to cure such Event of Default. Any amounts so paid by the Mortgagee shall:

- (a) be added to the Indebtedness;
- (b) bear interest at the Interest Rate until paid;
- (c) be a charge upon the Lands; and
- (d) unless repaid to the Mortgagee upon demand, shall be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor, and in this regard the Mortgagor hereby assigns unto the Mortgagee, its equity of redemption, if any, with respect to the Prior Charge together with the statutory right of redemption given to the Mortgagor by the provisions of Section 39 of the *Law of Property Act*, R.S.A. 2000, c. L-7. It is the intention of the parties that the Mortgagee shall have the same rights and powers but not the liabilities as the Mortgagor under and pursuant to the terms of the Prior Charge so that the Mortgagee will be in a position to take

whatever steps are necessary to bring the Prior Charge into good standing once an Event of Default has occurred and is continuing. This assignment is not intended to encompass the Mortgagor's entire interest in the Prior Charge, but only to the extent hereinbefore stipulated. Nothing herein contained shall create an obligation upon the Mortgagee to cure any default on behalf of the Mortgagor.

5.11 Attornment

For better securing the punctual payment of the Indebtedness, the Mortgagor hereby attorns and becomes subtenant to the Mortgagee and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* or shall take the benefit of any statute relating to bankruptcy or insolvent debtors then such rental shall, if not already payable, be payable immediately thereafter. The legal relationship of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor. The Mortgagee may at any time after an Event of Default has occurred and is continuing enter upon the Lands, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit; but neither this clause nor anything done by virtue thereof shall render the Mortgagee a mortgagee in possession or accountable for any monies except those actually received.

5.12 Expropriation and Condemnation

- (a) If the Lease and/or the Lands or any part thereof be condemned under any power of eminent domain or be acquired by expropriation, the damages, proceeds, consideration and award for such acquisition, to the extent of the full amount of the Indebtedness and obligations secured hereby remaining unpaid, are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee and its successors and assigns. If a portion only of the Lands be taken in the expropriation without resulting damage to the Improvements or any part thereof, or if a portion of the Lands shall be taken in such expropriation proceedings with resulting damage to the Improvements and the amount of the award made therein is based on a determination that the portion of the Improvements remaining on the portion of the Lands not so taken can practicably be rehabilitated then the provisions of this Mortgage of Lease relating to insurance proceeds in case of loss or damage shall apply to the award in the said expropriation and the same shall be applied accordingly.
- (b) The Mortgagor acknowledges that it is aware of the provisions of Sections 49 and 52 of the *Expropriation Act*, R.S.A. 2000 c. E-13, and any amendments thereto and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof and in addition the Mortgagor covenants to pay to the Mortgagee the difference between the Indebtedness and the monies paid by the expropriating authority to the Mortgagee together with interest thereon at the Interest Rate both before and after maturity, default, acceleration and the obtaining of any judgment by the Mortgagee.
- (c) Notwithstanding the foregoing subsections (a) and (b) the Mortgagee shall be at liberty, at its sole option, to declare the whole of the Indebtedness as being immediately due and payable in the event that the Lease and/or the Lands or any part thereof shall be the subject matter of an expropriation proceeding.

- (d) Any monies awarded by an order of either the Land Compensation Board or the Surface Rights Board with respect to the Lease and/or the Lands or any part thereof to the extent of the full amount of the Indebtedness are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee, its successors and assigns.

ARTICLE 6

6.1 Appointment of Receiver

If an Event of Default has occurred and is continuing, then the Mortgagee may by instrument in writing or by obtaining an order of the court, appoint any person or persons, whether an officer or officers or employee or employees of the Mortgagee, or not, to be a Receiver of the Lands and assets which are charged in favour of the Mortgagee and the rents and profits derived therefrom or any portion or part thereof, at the Mortgagee's sole discretion. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) a Receiver so appointed is conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver;
- (b) nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such;
- (c) all monies received by the Receiver, after providing for payment of charges ranking prior to this Mortgage of Lease and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be applied in or towards satisfaction of the monies owing pursuant to this Mortgage of Lease;
- (d) the Receiver so appointed may but shall not be obligated to:
 - (i) take possession of, collect and get in the property, rents and profits charged by this Mortgage of Lease and any Collateral Security granted by the Mortgagor to the Mortgagee and for that purpose to take any proceedings, be they legal or otherwise, in the name of the Mortgagor or otherwise;
 - (ii) carry on or concur in carrying on the business which the Mortgagor is conducting on and from the Lands;
 - (iii) sublease or re-sublease all or any portion of the Lands for any term, and on any condition, and with or without a premium, and for this purpose may execute contracts in the name of the Mortgagor which said contracts shall be binding upon the Mortgagor;
 - (iv) borrow monies for the purpose of carrying on the business of the Mortgagor on the Lands, the maintenance and preservation of the Lands or any part thereof, the payment of taxes, wages and other charges ranking in priority to this Mortgage of Lease or for other purposes approved by the Mortgagee and any money so borrowed shall be repaid

by the Mortgagor on demand and until repaid shall bear interest thereon at the Interest Rate and form a charge upon the Lands;

- (v) receive the revenues, incomes, issues and profits of the Lands and to pay therefrom all expenses, charges and borrowings incurred or payable in carrying on the business as it relates to the Lands and all taxes, assessments and other charges against the Lands, payment of which may be necessary to preserve the Lands and the balance, if any, shall be held and applied in the same manner as if the same arose from a sale or realization of the Lands;
- (vi) transfer, sell and/or dispose of any or all of the Lands at public auction or by tender at such time and on such terms and conditions as the Receiver shall determine or to sell and dispose of any or all of the Lands by private contract and in any event for cash or upon credit and secured or otherwise as the Receiver may deem proper and to deliver to the purchaser or purchasers of the Lands good and sufficient deeds or title document for the same, the Receiver being hereby constituted the irrevocable attorney of the Mortgagor for the purpose of making such transfer and executing such deeds and transfer documents and any such sale shall be absolute and conclusive as against the Mortgagor or any persons claiming by, from, through or under the Mortgagor and its assigns and in the event of a transfer on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable or charged with any monies until the same shall be actually received by it in cash; and the Receiver may vary and rescind any contract for sale made by virtue of these presents and may reassume the Lease, transfer and retransfer the Lands or part thereof, either by private sale or public auction without the Mortgagee or Receiver being responsible for any loss or deficiency on retransfer or expense occasioned thereby and for such purposes the Receiver may make and execute all agreements and assurances that the Receiver shall deem advisable or necessary;
- (vii) make any arrangement or compromise which the Receiver shall deem expedient;
- (viii) sue or defend any action in the name of the Mortgagor;
- (ix) exercise all or any of the powers or rights incident to the leasehold ownership of the Lands;
- (x) employ or retain for the execution of the duties and powers conferred upon the Receiver hereunder, such agents, assistants, professional advisors or other persons as required on the terms and at the remuneration the Receiver considers proper;
- (xi) carry on and complete any construction commenced by the Mortgagor and be in charge of completion of any further construction on the Lands;
- (xii) release any of the Lands which in the Receiver's opinion are unprofitable or unrealizable or a source of loss or danger to the Mortgagor or the Mortgagee;

- (xiii) exercise all rights and powers of the Mortgagor hereunder and to act generally in relation to the Lands in such manner and on such terms as may seem expedient in the best interests of the Mortgagee;
 - (xiv) assent to the modification of any contract or agreement which may be subsisting in respect of the Lands; or
 - (xv) enter into, make, execute and sign all such contracts, agreements, transfers, conveyances, assurances, instruments, and do all such things and bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Lands as the Mortgagee may deem expedient;
- (e) the rights and powers conferred by this section are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time;
 - (f) the Receiver appointed hereunder shall not be obligated to take possession or control of the whole of the business of the Mortgagor. Rather, the Mortgagee's right to appoint may, at the option of the Mortgagee, relate only to the Lands and the rents, profits and any business deriving therefrom;
 - (g) the Mortgagor shall yield up possession of the Lands and the conduct of its business in connection therewith to the Receiver so appointed upon demand and shall facilitate by all legal means the actions of the Receiver and shall not interfere with the carrying out of the powers hereby granted to the Receiver and the Mortgagor shall forthwith by and through its officer and directors execute such documents and transfers as may be necessary to place the Receiver in legal possession of the Lands and thereupon all the powers and functions, rights and privileges of each and every of the directors and officers of the Mortgagor shall cease and determine with respect to the Lands; and
 - (h) the Mortgagee may from time to time fix the remuneration of every such Receiver and direct the payment thereof out of the Lands or the proceeds thereof and if paid by the Mortgagee, such remuneration and all expenses incurred by any Receiver shall be a charge upon the Lands and shall be repaid by the Mortgagor to the Mortgagee forthwith upon demand, and shall bear interest at the Interest Rate until paid.

6.2 Appointment of Attorney

If an Event of Default has occurred and is continuing, then the Mortgagor hereby irrevocably appoints the Mortgagee, or its agent or employee or any Receiver appointed as aforesaid (the choice of which shall be at the election of the Mortgagee, in its sole and absolute discretion) to be its attorney, in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Mortgagee and any Receiver and without limiting the generality of the foregoing, the Mortgagee and any Receiver appointed as aforesaid are hereby appointed pursuant to Section 115 of the *Land Titles Act*, R.S.A. 2000 c.L-4 as amended or replaced by substitute legislation from time to time, as the Mortgagor's attorney to execute and deliver, under seal of the Mortgagor, or by the hand and under the seal of the Mortgagee or the Receiver, any agreements, instruments and assurances as the Mortgagee sees fit, for any and all purposes and for the purpose of carrying out the Mortgagee's power of sale contained

herein. Any attorney appointed pursuant to this section shall be entitled, in its capacity as attorney, to exercise all of the powers conferred upon a Receiver hereunder, in addition to any other powers the attorney may have hereunder.

ARTICLE 7

7.1 Interpretation

Wherever the singular number or masculine gender is used in this instrument the same shall be construed as including the plural and feminine and neuter respectively where the fact or context so requires. In any case, where this Mortgage of Lease is executed by more than one party, all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several. The respective heirs, executors, administrators, successors and assigns of any party executing this Mortgage of Lease are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained. The covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.

7.2 Renewal or Extension

If the Mortgagee shall agree to renew or extend the term of this Mortgage of Lease, then such renewal or extension and the rate of interest, term, payments and other stipulations of such renewal or extension shall be binding upon the Mortgagor, the Mortgagor's successors in title, encumbrancers and others interested in the Lands, whether or not the renewal or extension is registered as an amending agreement or by way of caveat at the Land Titles Office, and whether or not the rate of interest, payments or amortization period applicable during the renewal or extension term is greater than or less than the rate, payments or amortization period stipulated in this Mortgage of Lease. The Mortgagor shall forthwith upon request by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all postponements and other assurances as the Mortgagee may require in order to ensure the foregoing. All renewals shall be done at the Mortgagor's legal expense on a solicitor and his own client basis. Such renewal, even if made by a successor in title to the Mortgagor named herein, shall in no way release or abrogate or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal. In the event that the Mortgage of Lease is renewed as aforesaid, the Mortgage of Lease, as renewed, shall be deemed to be dated as at the date of maturity of this Mortgage of Lease or the Mortgage of Lease as previously renewed, as the case may be, for the purposes of prepayment only.

No extension of time given by the Mortgagee to the Mortgagor or alteration of Interest Rate or principal payments or any other dealing by the Mortgagee with the owner of the Lands shall in any way prejudice or affect the rights of the Mortgagee against the Mortgagor or the Mortgagor's assigns, or anyone claiming under the Mortgagor or any other persons.

7.3 Loan Agreements Not Merged

The provisions of the Loan Agreements are not superseded by or merged in the execution or registration of the Mortgage of Lease or any Collateral Security and the provisions of the Loan Agreements shall remain in full force and effect until all of the conditions thereof to be observed and performed by the Mortgagor have been fully paid and satisfied, provided however that in the event of a conflict between the terms of the Loan Agreements and the terms of this Mortgage of Lease or the Collateral Security, the terms of the Loan Agreements, shall prevail.

7.4 Governing Law

This Mortgage of Lease shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Courts of the Province of Alberta shall have exclusive jurisdiction over any dispute or matter arising herefrom.

7.5 Collateral Security

As additional and collateral security for the repayment of the monies hereby secured and the performance of the covenants contained herein, the Mortgagor shall execute and deliver or cause to be delivered to the Mortgagee the Collateral Security. None of the rights or remedies of the Mortgagee under this Mortgage of Lease or under the Collateral Security shall be merged in, waived, delayed, impaired, prejudiced or suspended by any such additional security or any act of the Mortgagee pursuant thereto.

7.6 Notices

- (a) All notices, requests, demands, pleadings, judicial documentation and any other communications required to be served or given by the terms of this Mortgage of Lease or by the Rules of Court of Alberta, the *Judicature Act*, R.S.A. 2000, C. J-2, and any amendments thereto, the *Law of Property Act*, R.S.A. 2000, C. L-7 and any amendments thereto, or any other statute, as a result of an Event of Default which has occurred and is continuing, including but not restricted to any Statement of Claim issued by the Mortgagee or a Mortgagee's Notice of Motion requesting enforcement of its rights hereunder (the "**Notice**"), shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address. The Notice shall be conclusively deemed to have been received by the addressee three (3) Business Days after mailing thereof as aforesaid; provided that in the case of any real or reasonably apprehended interruption of the mail, service may be by telegraph, telex, facsimile or other operative form of electronic written telecommunication (in which case the addressee shall be conclusively deemed to have received the same on the day upon which, in the ordinary course of such telecommunication, the same would have been received).
- (b) No want of notice or publication when required by this Mortgage of Lease or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this Mortgage of Lease.

7.7 Receipt Acknowledged

The Mortgagor acknowledges receipt of a true copy of this Mortgage of Lease.

7.8 Charge

For better securing to the Mortgagee repayment of the Indebtedness, the Mortgagor hereby mortgages to the Mortgagee all of its right, title, estate and interest in the Lands. The Mortgagee acknowledges that the right, title, estate and interest of the Mortgagor in and to the Lands is limited to its leasehold interest pursuant to the Lease.

7.9 Due on Sale

Except as permitted pursuant to the Loan Agreements, in the event that the Mortgagor shall transfer, sell, convey or assign (or purport to do so) the Lands or any portion thereof or

interest therein to a transferee, purchaser or assignee without first obtaining the Mortgagee's consent in writing, then, at the Mortgagee's option, the Indebtedness shall become immediately due and payable, without the necessity of a prior demand. Such consent may be unreasonably or arbitrarily withheld. Failure to exercise the aforesaid option shall not be deemed or construed to be an acceptance by the Mortgagee of the aforesaid purchaser, transferee or assignee, nor shall such failure be or constitute or operate as a release, waiver or discharge of any personal covenants contained in this Mortgage of Lease or any Collateral Security, nor shall such failure prejudice or affect the enforcement of such personal covenants, nor shall such failure operate as a release or discharge of this Mortgage of Lease or any surety of or for this Mortgage of Lease. Any promise to pay, written or verbal acknowledgement of the Indebtedness outstanding hereunder, or part payment of the Indebtedness by any of the Mortgagor's successors in title to the Lands shall be conclusively deemed to be made on behalf of the Mortgagor and any successors in title, as the case may be, as its agent for the purpose of furnishing a fresh starting point for the running of any limitation period.

If the Mortgagor or any other party who becomes liable to perform and observe the covenants herein should be a corporation, then any direct or indirect transaction or dealing whatsoever which affects the share structure or share ownership of such corporation and which results in a change in control, either legal or beneficial, of the shareholdings of that corporation shall constitute an event as hereinbefore described such that the Mortgagee's prior written consent as aforesaid is to be obtained, failing which, at the Mortgagee's sole option, the Indebtedness shall become immediately due and payable, without the necessity of a prior demand.

7.10 Unenforceable Terms

If any term, covenant or condition of this Mortgage of Lease or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Mortgage of Lease or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Mortgage of Lease shall be valid and shall be enforceable to the fullest extent permitted by law.

7.11 Further Advances and Readvances by Mortgagee

This Mortgage of Lease shall be a continuing security and charge for the Principal Sum and all sums of money owed by the Mortgagor to the Mortgagee from time to time pursuant to the provisions of this Mortgage of Lease, notwithstanding the balance hereunder may be fluctuating and even may from time to time be or have been reduced to a "nil" balance, and notwithstanding monies advanced may be repaid and further advances made and shown from time to time. This Mortgage of Lease shall remain in full force and effect until discharged by the Mortgagee, it being the intention of the parties that the amount owing under this Mortgage of Lease may be either increased or decreased from time to time but not to exceed the total Principal Sum. For the purposes of subsection 104(1) of the *Land Titles Act*, R.S.A. 2000 c. L-4 as amended or replaced by substitute legislation from time to time, it is hereby declared by and agreed between the Mortgagor and the Mortgagee that this Mortgage of Lease shall be held by the Mortgagee as continuing collateral security for a revolving line of credit up to the Principal Sum.

ARTICLE 8

8.1 Freehold Estate

If the Mortgagor, at any time or from time to time extends the size of the Lands or increases the size of its equity in the Lands or becomes registered as owner or entitled to be registered as owner of the full fee simple then this Mortgage of Lease shall become enlarged to be a mortgage of the increased size of the Lands or of the increased size of the equity or of the full fee simple, as the case may be.

IN WITNESS WHEREOF the Mortgagor has affixed its corporate seal duly attested to by its authorized signing officers this Mortgage of Lease this 18 day of December, 2019.

2161889 ALBERTA LTD.

Per: _____



Name: Jeff Rich

Title: President

Per: _____

c/s

Name:

Title:

I/We have the authority to bind the corporation

SCHEDULE A

LANDS AND DESCRIPTION OF LEASE

Lands	Description of Lease
SW 13-65-18-W4	SML 060060
S½ 13-65-18-W4	DLO 170011
NW 12, SW 13-63-19-W4	SML 080085
N½ 12-63-19-W4	SML 100085
NE 11-61-18-W4	SML 110025
SE 11-61-18-W4	SML 110026
E½ 15-61-18-W4	SML 110045
N½ 15-61-18-W4	SML 110046
S½, NW 15-61-18-W4	SML 110047
W½ 14-61-18-W4	SML 120005
NW 14-61-18-W4	SML 120006
SE 21-61-18-W4	SML 120100

LIMITED-RECOURSE GUARANTEE AND SHARE PLEDGE AGREEMENT

THIS AGREEMENT is made effective as of the 26 day of April, 2021.

B E T W E E N:

RLF CANADA HOLDINGS LIMITED, a limited company
incorporated under the laws of the State of Colorado

(hereinafter called the “**Pledgor**”)

- and -

FIERA PRIVATE DEBT FUND VI LP, by its general partner
FIERA PRIVATE DEBT FUND GP INC., and **FIERA PRIVATE
DEBT FUND V LP**, by its general partner **FIERA PRIVATE DEBT
FUND GP INC.**

(hereinafter called the “**Pledgee**”)

WHEREAS the Pledgor is as of the date hereof the registered and beneficial owner of the Current Securities (as hereinafter defined) in the capital of the Companies;

AND WHEREAS the Pledgor has agreed to pledge the Current Securities and other Pledged Collateral (as hereinafter defined) to the Pledgee as general and continuing collateral security for the Guaranteed Obligations (as hereinafter defined) and, in furtherance thereof, to guarantee to and in favour of the Pledgee the payment and performance by the Companies of such Guaranteed Obligations, provided that the Pledgee’s sole recourse against the Pledgor shall be with respect to the Pledged Collateral, as hereinafter provided;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants hereinafter contained and for other good and valuable consideration and the sum of \$1.00 of lawful money of Canada (the receipt and sufficiency of which are hereby acknowledged by the Pledgor), it is hereby agreed by and between the parties hereto as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

In this agreement or any amendment to this agreement, unless the context requires otherwise:

“**Act**” means the *Personal Property Security Act* (Alberta) and all Regulations enacted thereunder, as amended from time to time;

“**affiliate**” has the meaning ascribed thereto by the *Business Corporations Act*, (Alberta) as of the date hereof;

“**Business Day**” means a day that Canadian chartered banks are open for business in the City of Toronto;

“Companies” means Mantle, and JMB, and **“Company”** means any one of them as the context requires;

“Current Securities” means, collectively:

- (a) the 100 issued and outstanding Class A Preferred shares in the capital of Mantle, and
- (b) the 51,513.165 issued and outstanding Class A Common shares in the capital of JMB,

owned beneficially and of record as of the date hereof by the Pledgor;

“Event of Default” has the meaning ascribed thereto in the Loan Agreement;

“Guaranteed Obligations” has the meaning ascribed thereto in Section 2.01;

“JMB” means JMB Crushing Systems Inc.;

“Loan Agreement” means the loan agreement made as of the date hereof among, *inter alios*, the Pledgee, as lender, and Mantle, as borrower, as may be amended, restated, replaced or otherwise modified from time to time;

“Mantle” means Mantle Materials Group, Ltd.;

“Obligations” means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, now or at any time hereafter owing by the Companies to the Pledgee under the Loan Agreement;

“person” includes any individual, corporation/company, partnership, firm, joint venture, syndicate, association, trust, trustee, government, governmental agency or board or commission or authority and any other form of entity or organization whatsoever, whether incorporated or not;

“Pledged Collateral” means collectively:

- (a) the Current Securities and all Securities in the capital of the Companies hereafter owned or acquired by the Pledgor,
- (b) all substitutions therefor, additions thereto and proceeds thereof,
- (c) all interest, dividends, income, revenue or other distributions made or paid in respect of the Pledged Securities, and
- (d) all rights and claims of the Pledgor in respect of the foregoing or evidenced thereby;

“Pledged Securities” means all Securities forming part of the Pledged Collateral including, without limitation, the Current Securities;

“proceeds” shall have the meaning ascribed thereto by the Act; and

“**Securities**” shall have the meaning ascribed thereto by the Act.

1.02 Applicable Law

This agreement and all documents pursuant hereto shall be deemed to be governed by and construed in accordance with the laws of the Province of Alberta.

1.03 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.04 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders (including the neuter).

1.05 Time of the Essence

Time shall in all respects be of the essence of this agreement.

ARTICLE 2 - LIMITED-RECOURSE GUARANTEE

2.01 Limited Recourse Guarantee

Subject to Section 2.02, the Pledgor hereby guarantees payment to the Pledgee of the Obligations, whether incurred or arising before, on or after the date hereof, together with any costs and expenses incurred with respect to or arising out of such Obligations or any securities therefor, or costs incurred by or awarded in favour of the Pledgee in connection with any proceedings taken against the Companies or the Pledgor or any of them or any moneys paid by the Pledgee on account of taxes, wages, insurance, or the remuneration or costs of any liquidator, trustee, Pledgee or other person, or on any other account whatever with respect to or arising out of such Obligations (the “**Guaranteed Obligations**”).

2.02 Limited Recourse

Notwithstanding any other provision hereof, this guarantee is granted by the Pledgor to the Pledgee for the sole purpose of enabling the Pledgee to obtain security against the Pledged Collateral pursuant to the provisions hereof and, notwithstanding any other provisions hereof:

- (a) the sole recourse of the Pledgee against the Pledgor hereunder shall be with respect to the Pledged Collateral and the rights and remedies of the Pledgee hereunder are expressly limited to the realization by the Pledgee upon the Pledged Collateral or any amounts received upon the realization thereof, and the Pledgee shall not under any circumstances have any right to payment hereunder from the Pledgor.

2.03 All Advances

All moneys, advances, renewals and credits in fact borrowed or obtained from the Pledgee pursuant to the Loan Agreement shall be deemed to form part of the Guaranteed Obligations notwithstanding any incapacity, disability or lack of limitation of status or of power of any Company or of the directors, officers, employees or agents thereof, or that any Company may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits. The Pledgee shall not be concerned to see or enquire into the powers of any Company or its directors, officers, employees or other agents, acting or purporting to act on its behalf, and moneys advanced or credits in fact borrowed or obtained through the Pledgee in professed exercise of such powers shall be deemed to form part of the Guaranteed Obligations even though the borrowing or obtaining thereof is in excess of the powers of any Company or of the directors, officers, employees or other agents thereof or is otherwise irregular or defective or is informally effected, the whole whether known to the Pledgee or not, and any moneys advanced or credits used for the payment of the liabilities of any Company shall be deemed to form part of the Guaranteed Obligations. This guarantee shall extend to any successor company upon amalgamation.

2.04 Not bound to Exhaust Recourse

The Pledgee shall not be bound to exhaust its recourse against the Companies or others or the securities (which word as used herein includes other guarantees) it may hold nor to value such securities before being entitled to exercise its remedies hereunder.

2.05 Additional Security

This guarantee shall be in addition to and without prejudice to any other securities by whomsoever given held at any time by the Pledgee and the Pledgee shall be under no obligation to marshal in favour of the Pledgor any such securities or any of the funds or assets the Pledgee may be entitled to receive or have a claim upon, and the Pledgee may in its absolute discretion and without diminishing the liability hereunder of the Pledgor, grant extensions of time or other indulgences to the Companies or others and give up or modify, vary, exchange, renew or abstain from perfecting or taking advantage of any securities and may discharge any party or parties and accept or make any compositions or arrangements and realize any securities, when and in such manner as the Pledgee may see fit and in no case shall the Pledgee be responsible or shall the Pledgor be released either in whole or in part for any act or omission in connection with the registration or filing of any security under any law or statute or otherwise or the realization of any security or the postponement of such realization or having sold any security at an undervalue unless due to the gross negligence or wilful misconduct of the Pledgee or its solicitors, agents or those for whom it is legally responsible.

2.06 Payments Received

- (a) Subject to paragraph (b), all dividends, compositions, proceeds of security valued and payments received by the Pledgee from any Company or from others shall be deemed to be payments in gross without any right on the part of the Pledgor or any of them to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Pledgee or proceeds thereof, and the Pledgor shall have no right to be subrogated in any rights of the Pledgee until the Pledgee shall have received payment in full of the Guaranteed Obligations.

- (b) Any and all moneys received by the Pledgee from any Company or others or from securities and which are properly applicable in reduction of the Guaranteed Obligations shall be applied by the Pledgee to the Guaranteed Obligations pursuant to the terms of the Loan Agreement.

2.07 Pledgee's Security

Where a Company becomes bankrupt or makes an assignment for the benefit of Pledgee or if any circumstances arise necessitating the Pledgee to file its claim against any Company and to value its securities the Pledgee shall be entitled to place such valuation on its securities as the Pledgee may in its absolute good faith discretion see fit and the filing of such claim and such valuing of such securities shall not in any way prejudice or restrict the claim of the Pledgee against the Pledgor and in no way discharge the Pledgor from the liability hereunder to the Pledgee, either in whole or in part.

2.08 Accounts with Companies

Any account settled or stated by or between the Pledgee and any Company, or, if any such account has not been so settled or stated immediately before demand for payment under this guarantee, any account stated by the Pledgee, shall, absent manifest error, be accepted by the Pledgor as conclusive evidence of the amount which at the date of the account so settled or stated is due by such Company to the Pledgee or remains unpaid by such Company to the Pledgee. Subject to any other provisions hereof limiting the liability of the Pledgor, the Pledgor shall be liable to the Pledgee for the total amount of all of the Guaranteed Obligations whether such liabilities are incurred prior to or subsequent to the notice demanding payment together with interest thereon at the same rate as is then payable by the Companies in respect of the indebtedness herein guaranteed from the date of demand for payment or, in case of liabilities incurred or arising subsequent to such demand, from the date of the incurring or arising of such liabilities.

ARTICLE 3 - PLEDGE OF SECURITIES

3.01 Pledge of Collateral

As general and continuing collateral security for the due payment and performance of the Guaranteed Obligations, the Pledgor hereby assigns, hypothecates and pledges to and in favour of the Pledgee, and grants the Pledgee a security interest in, all of the Pledged Collateral.

3.02 Acknowledgment of Receipt

The Pledgee acknowledges receipt from the Pledgor of the share certificate representing the Current Securities, duly endorsed in blank for transfer or accompanied by a duly signed power of attorney for transfer in blank.

3.03 Future Certificates

So long as there are any Guaranteed Obligations outstanding, the Pledgor hereby agrees and undertakes to deliver to and deposit with, or cause to be delivered to and deposited with, the Pledgee all certificates (duly endorsed in blank for transfer or accompanied by a duly signed power of attorney for transfer in blank) representing any of the Pledged Securities that the

Pledgor may from time to time hereafter acquire or be or become entitled to. The Pledgor hereby irrevocably authorizes and directs the Companies to deliver to the Pledgee any such certificates representing Pledged Securities.

3.04 Reclassification, Etc.

In the event that any of the Pledged Securities are changed, classified or reclassified, subdivided or converted into a different number or class of Securities or otherwise, or if any additional Securities are subscribed for or issued to the Pledgor for any other reason, the Securities or other securities resulting from any such change, classification, reclassification, subdivision, conversion, subscription or issuance and the certificates representing the same shall be delivered by the Pledgor to and held by the Pledgee in place of or in addition to, as the case may be, the Pledged Securities. In the event of any consolidation, reorganization, merger or amalgamation of a Company with or into another person, or the sale of a substantial portion of the property and assets of a Company other than in the ordinary course of its business to another person or persons in exchange for securities in or of such other person or persons or any affiliate thereof, any and all securities issued or issuable to or received or receivable by the Pledgor upon such consolidation, reorganization, merger, amalgamation or sale shall form part of the Pledged Collateral and the provisions hereof relating to the Pledged Securities shall, *mutatis mutandi*, apply to such securities. The provisions of this section shall similarly apply to successive such changes, classifications, reclassifications, subdivisions, conversions, subscriptions, consolidations, reorganizations, mergers, amalgamations and sales.

3.05 Attachment of Security Interest

For the purposes of the Act, the parties hereby acknowledge:

- (a) their mutual intention that the security interest created by this agreement is to attach upon the execution of this agreement by the Pledgor;
- (b) that value has been given by the Pledgee to the Pledgor; and
- (c) that the Pledgor has rights in the Pledged Collateral (other than future property) as of the date hereof.

3.06 Collateral Registered in Pledgee's Name

Notwithstanding any other provision hereof, the Pledgee shall have the right, at its option at any time while the security hereby constituted is enforceable, to transfer the Collateral or any part thereof into its own name or that of its nominee so that the Pledgee or its nominee may appear of record as the sole owner thereof; provided, that, prior to the security hereby constituted becoming enforceable under this agreement, the Pledgee shall deliver promptly to the Pledgor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Pledgor or its designee a proxy or proxies to vote and take all action with respect to such property. At any time while the security hereby constituted is enforceable, the Pledgor waives all rights to be advised of or to receive any notices, statements or communications received by the Pledgee or its nominee as such record owner, and agrees that no proxy or proxies given by the Pledgee to the Pledgor or its designee as aforesaid shall thereafter be effective.

3.07 Control

The Pledgor agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Pledgee "control" of such Collateral, as defined in the *Securities Transfer Act* (Alberta), which "control" shall be in such manner as the Pledgee shall designate in its sole good faith judgment and discretion.

ARTICLE 4 - DEALINGS WITH SHARES

4.01 Prior to Default

Until the security hereby constituted shall have become enforceable pursuant to Article 5 hereof, the Pledgor shall be solely entitled to:

- (a) exercise all voting and other rights in respect of the Pledged Securities; and
- (b) receive all dividends, whether in cash or stock, interest, income, revenue or other distributions made to the holders of Securities paid or made in respect of the Pledged Securities for the Pledgor's own use and benefit.

4.02 No Sales

During the term of this agreement, the Pledgor shall not transfer, sell, bargain or assign, nor enter into any agreement for the transfer, sale, bargain or assignment of, any of the Pledged Securities, nor shall the Pledgor grant, or enter into any agreement which has the effect of granting, to any person any option, right or privilege capable of becoming an agreement for the transfer, sale, bargain or assignment of any of the Pledged Securities to such person. Notwithstanding the foregoing, the Pledgor may do any of the above pursuant to an internal reorganization provided that that any entity that is transferred such Pledged Securities shall enter into a limited recourse guarantee and share pledge agreement in favour of the Lender on substantially the same terms as set out herein.

4.03 No Encumbrances

During the term of this agreement, the Pledgor shall not enter into or grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of the Pledged Collateral (other than any such encumbrance in favour of the Pledgee).

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Events of Default

Upon the occurrence of an Event of Default, the security hereby constituted shall become immediately enforceable and the Pledgee may, in its sole discretion, do any or all of the following:

- (a) effect the registration of, and obtain from the Companies a certificate or certificates for, any of the Pledged Securities in the name of the Pledgee or its nominee(s), and for such purpose the Pledgee is hereby irrevocably appointed the attorney of the Pledgor with full power of substitution to endorse and/or transfer any of the Pledged Securities to the Pledgee or its nominee(s);
- (b) vote any or all of the Pledged Securities (whether or not transferred into the name of the Pledgee) and exercise all other rights and powers and perform all acts of ownership in respect thereof as the Pledgor might do;
- (c) proceed to realize upon the Pledged Collateral or any of it by sale at public or private sale or otherwise realize upon any of the Pledged Collateral for such price and money or other consideration and upon such terms and conditions as it deems best, the whole without advertisement or notice to the Pledgor or other persons (except as may be required by the Act and other applicable law), and, where any such sale or realization is by way of public auction or tender, the Pledgee or any of its affiliates may, subject to applicable law, purchase the Pledged Collateral or such portion thereof free from any right or equity of redemption, and may, in paying the purchase price, apply any portion of the Obligations on account of the purchase price as may be outstanding at the time of such sale or realization;
- (d) enjoy and exercise all of the rights and remedies of a secured party under the Act; and
- (e) generally act in relation to the Pledged Collateral in such manner and on such terms as the Pledgee may deem expedient to its own interest;

provided, however, that the Pledgee shall act in a commercially reasonable manner in exercising its rights under this agreement.

5.02 Dividends, Etc.

After the occurrence of an Event of Default and for so long as such Event of Default has not been cured or waived by the Pledgee, all future dividends to be paid on the Pledged Securities, and all interest, income, revenue and future distributions made to the holders of Securities paid in respect of the Pledged Securities shall be delivered to the Pledgee and, if received by the Pledgor, shall be received in trust for and paid forthwith to the Pledgee.

5.03 Application of Proceeds

In the event of any realization upon or sale or disposition of the Pledged Collateral or any portion thereof as hereinbefore provided, the Pledgee shall apply the proceeds of any such realization, sale or disposition, together with any other monies at the time held by it under the provisions of this agreement, after deducting all costs and expenses of collection, sale and delivery (including, without limitation, reasonable legal fees and expenses) incurred by the Pledgee in connection therewith, to the payment of all amounts owing to the Pledgee in respect of the Obligations, in such order as the Pledgee in its sole discretion may determine, and the balance of such proceeds, if any, shall be paid in accordance with the Act and any other applicable law.

5.04 Rights Cumulative

All rights and remedies of the Pledgee set out in this agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document between the parties hereto or now or hereafter existing at law or in equity or by statute.

5.05 No Waiver

No delay or omission on the part of the Pledgee in exercising any right or remedy hereunder shall operate as a waiver of such right or remedy or of any other right or remedy hereunder, and any Event of Default or other default or breach by the Pledgor may only be waived by the Pledgee in writing, provided that no such written waiver by the Pledgee shall extend to or be taken in any manner to affect any other or any subsequent breach or default or the rights resulting therefrom.

5.06 No Liability

The Pledgee shall not be liable or accountable to the Pledgor or to any other person for any failure to exercise any of the rights, powers and remedies set out in section 5.01 above, or any loss which may be occasioned by such failure, nor shall the Pledgee be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of any party in respect of the same. The Pledgee may compound, compromise, grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Pledgor, the Companies and others and with the Pledged Collateral as it sees fit without prejudice to any of its rights or remedies hereunder. The Pledgee shall not be required to see to the collection of dividends on or the exercise of any option or right in connection with any of the Pledged Securities and shall not be required to protect or preserve the Pledged Securities from depreciating in value.

5.07 Pledgee Appointed Attorney-in-Fact

The Pledgor hereby irrevocably appoints the Pledgee as the Pledgor's attorney-in-fact with effect following the occurrence of an Event of Default which is continuing and has not been waived in writing by Pledgee, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise from time to time in its discretion, to take any action and to execute any instrument which the Pledgee may reasonably deem necessary or advisable to accomplish the purposes of this Pledge Agreement, including without limitation:

- (a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Pledged Collateral;
- (b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above; and
- (c) to file any claims or take any action or institute any proceedings which the Pledgee may deem necessary or desirable for the collection of any of the Pledged Collateral or otherwise to enforce the rights of Pledgee with respect to any of the Pledged Collateral.

The Pledgor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

ARTICLE 6 - GENERAL

6.01 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time outstanding have been satisfied and performed in full and this agreement has been terminated. At any time after all of the Obligations have been so satisfied and performed, the Pledgor may, on five days written notice to the Pledgee, terminate this agreement, in which event the Pledgee shall forthwith release the Pledged Collateral from the assignment, hypothecation, pledge and security interest herein contained and return to the Pledgor all documents evidencing ownership or title to the Pledged Collateral.

6.02 Additional Security

The security hereby constituted is in addition to and not in substitution for any other security now or hereafter held by the Pledgee.

6.03 No Merger

The Pledged Collateral and the security hereby constituted shall not operate by way of merger of any of the Obligations or of any present or future indebtedness, liabilities or obligations of any other person to the Pledgee. The taking of a judgment or judgments with respect to any of the Obligations shall not operate by way of merger of or otherwise affect the security created hereby or any of the covenants, rights or remedies contained in this agreement.

6.04 Entire Agreement

This agreement constitutes the entire agreement between the parties hereto and supersedes any and all prior agreements, undertakings and understandings, whether written or verbal, in respect of the subject matter hereof.

6.05 Notice

Any demand, notice or other communication in connection with this agreement shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee, mailed by registered mail or sent by telefacsimile or other direct written electronic means, charges prepaid, at or to the address or telefacsimile number of the party set out opposite its name below or to such other address or addresses or telefacsimile number of numbers as either party may from time to time designate to the other party in such manner.

- (a) In the case of the Pledgor:

RLF Canada Holdings Limited
c/o Mantel Materials Group, Ltd.
1400 16th Street, Suite 320
Denver, CO 80209
Attention: Byron Levkulich, CFA, CPA

Email: Byron.Levkulich@RLHoldings.com

- (b) In the case of the Pledgee prior to April 30, 2021 (or such other date as the Lender may notify the Pledgor), at:

Fiera Private Debt
20 Adelaide Street East, Suite 1500,
Toronto, Ontario M5C 2T6

Attention: Stephen Zagrodny, Senior Director, Corporate & Infrastructure Debt
Financing
Email: szagrodny@fieracapital.com

and thereafter at:

Fiera Private Debt
RBC Plaza South Tower
200 Bay Street, Suite 3700
Toronto, Ontario M5J 2T6

Attention: Stephen Zagrodny, Senior Director, Corporate & Infrastructure Debt
Financing
Email: szagrodny@fieracapital.com

Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of delivery. Any communication mailed as aforesaid shall be deemed to have been validly and effectively given on the fifth Business Day following the date of mailing provided that, in the event of an interruption in postal service before such fifth Business Day, such communication shall be given by one of the other means. Any communication which is transmitted by telefacsimile or other direct written electronic means as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of transmission.

6.06 Successors and Assigns

This agreement shall enure to the benefit of the Pledgee and its successors and assigns and shall be binding upon the Pledgor and its successors and assigns.

6.07 Limitation Period

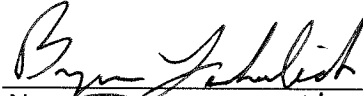
The limitation period on this agreement shall not begin to run until demand is made hereunder, and such limitation period (in accordance with the *Limitations Act (Alberta)*) is hereby expressly extended to a period of six (6) years from the date such demand is made.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

The Pledgor, in executing this share pledge agreement, hereby acknowledges receipt of an executed copy thereof.

RLF CANADA HOLDINGS LIMITED

Per:



Name: Byron Levkulich

Title: Director

I have authority to bind the Corporation.

ASSIGNMENT OF INSURANCE POLICIES

THIS ASSIGNMENT is made effective as of the 26 day of April, 2021.

TO: **FIERA PRIVATE DEBT FUND V LP**, by its general partner **FIERA PRIVATE DEBT FUND GP INC.** ("**Fund V**");

AND TO: **FIERA PRIVATE DEBT FUND VI LP**, by its general partner **FIERA PRIVATE DEBT FUND GP INC.** ("**Fund VI**" and together with Fund V, and their successors, affiliates and assigns, the "**Lenders**")

GRANTED BY: **MANTLE MATERIALS GROUP, LTD.**, a body corporate duly formed by incorporation under the laws of the Province of British Columbia ("**Mantle**")

AND BY: **JMB CRUSHING SYSTEMS INC.**, a body corporate duly formed by amalgamation under the laws of the Province of British Columbia ("**JMB**")

AND BY: **2161889 ALBERTA LTD.**, a body corporate duly formed by incorporation under the laws of the Province of Alberta ("**216**", and together with Mantle and JMB, collectively, the "**Assignor**")

RECITALS:

A. Pursuant to a loan agreement dated April 26, 2021 among Mantle, as borrower, the Lenders, as lender, and JMB and 216, as guarantors (as may be amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Loan Agreement**"), Mantle agreed to continue to borrow certain credit facilities (the "**Loan**") from the Lenders on the terms and conditions contained therein; and

B. As further security for the repayment of the Loan, the Assignor agrees to assign to the Lenders any and all insurance policies maintained by the Assignor in accordance with the terms of the Loan Agreement and any guarantees and security granted pursuant thereto;

NOW THEREFORE, IN CONSIDERATION OF the advance of the Loan from the Lenders to Mantle, the Assignor hereby agrees as follows:

1. The Assignor hereby assigns to the Lenders the benefit of all insurance policies maintained by the Assignor, including, without restriction, those insurance policies described in Schedule "A" attached hereto (the "**Policies**"). Without restricting the generality of the foregoing, all of the Assignor's rights and benefits under the Policies are hereby vested in the Lenders, including the right to bring action to recover monies under the Policies. Provided however that, nothing contained in this Assignment shall be construed so as to oblige the Lenders to pay any premiums owing under the Policies or to otherwise maintain the Policies in good standing.
2. So long as the Loan, or any portion thereof, remains outstanding, the Assignor shall:
 - (a) keep and maintain insurance in accordance with the requirements of the Lenders as set forth in the Loan Agreement and the security granted pursuant thereto;
 - (b) pay all premiums owing in respect of the Policies as the same become due;

- (c) refrain from committing or omitting any acts which could or would affect the validity or enforceability of the Policies;
 - (d) from time to time, at the reasonable request of the Lenders, provide the Lenders with evidence that the Policies have been obtained and are in good standing.
3. Notwithstanding anything contained herein, it is acknowledged and agreed that this Assignment is taken as security for the repayment of the Loan and that, upon repayment in full of the Loan (and all other monies owing pursuant to the Loan Agreement and the security granted pursuant thereto) this Assignment shall become null and void.
 4. This Assignment shall enure to the benefit of and be binding upon the parties hereto, together with their successors and permitted assigns.

[Signature page follows]

IN WITNESS WHEREOF the Assignor has signed this Assignment as of the date first written above.

MANTLE MATERIALS GROUP, LTD.

Per: Byron Levkulich
Byron Levkulich (Apr 13, 2021 18:40 MDT)

Name: Byron Levkulich

Title: Director

I have the authority to bind the company

JMB CRUSHING SYSTEMS INC.

Per: Byron Levkulich
Byron Levkulich (Apr 13, 2021 18:40 MDT)

Name: Byron Levkulich

Title: Director

I have the authority to bind the company

2161889 ALBERTA LTD.

Per: Blake M. Elyea
Blake M. Elyea (Apr 20, 2021 21:55 PDT)

Name: Blake Elyea

Title: Chief Restructuring Advisor

I have the authority to bind the corporation

[Signature Page to the Assignment of Insurance Policies]

SCHEDULE "A"

Insurance Policies

See attached.

CERTIFICATE OF INSURANCE

CERTIFICATE HOLDER/LOSS PAYEE:

Fiera Private Debt Fund VI LP
 Fiera Private Debt Fund V LP
 RBC Plaza South Tower,
 200 Bay Street, Suite 3700,
 Toronto, Ontario M5J 2T6

Dated: April 12, 2021

Revised April 21, 2021

NAMED INSURED:

Mantle Materials Group, Ltd., 2161889 Alberta Ltd., JMB Crushing
 Systems Inc.
 PO Box 6977
 Bonnyville, AB T9N 2H4

BROKER:

Lloyd Sadd Insurance Brokers Ltd.
 Suite 700, 10240 - 124 Street
 Edmonton, AB T5N 3W6 P: (780) 483-4544

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below. The insurance afforded is subject to the terms, conditions and exclusions of the applicable policy.

COMPANIES AFFORDING COVERAGE:

Company Letter "A" Bishopsgate Insurance Brokers Ltd.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRY DATE	LIMIT	
GENERAL LIABILITY						
A	Commercial General Liability including: - Broad Form Property Damage - Personal & Advertising Injury - Cross Liability/Severability of Interest - Contingent Employers Liability - Incidental Malpractice Liability - Blanket Contractual	B0831EN0022620	October 16, 2020	October 16, 2021	\$5,000,000	Per Occurrence
					\$5,000,000	General Aggregate
					\$2,000,000	Aggregate Products & Completed Operations
A	Employers Liability	B0831EN0022620	October 16, 2020	October 16, 2021	\$1,000,000	Per Occurrence
A	Employee Benefits Liability	B0831EN0022620	October 16, 2020	October 16, 2021	\$1,000,000	Per Occurrence
A	Tenants Legal Liability	B0831EN0022620	October 16, 2020	October 16, 2021	\$2,000,000	Per Occurrence
A	Non-Owned Automobile	B0831EN0022620	October 16, 2020	October 16, 2021	\$2,000,000	Per Occurrence
A	SEF 94 - Legal Liability for Damage to Hired Automobiles	B0831EN0022620	October 16, 2020	October 16, 2021	\$50,000	Per Occurrence
PROPERTY						
	All Risk subject to Insurers Standard Exclusions	50123TG3K	April 6, 2021	April 6, 2022	As per schedules	Limit

Re: Commercial General Liability, Policy #B0831EN0022620 It is hereby understood and agreed that *Fiera Private Debt Fund VI LP & Fiera Private Debt Fund V LP* is added as an Additional Insured **Effective October 16, 2020** but only with respect to liability arising out of the operations of the Named Insured.

CANCELLATION

Should the Commercial General Liability policy be cancelled before the expiration date thereof, the issuing company will endeavor to mail **30** days written notice to the certificate holder named above, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative.

Lloyd Sadd Insurance Brokers Ltd.

per: *Katie Nagase*

CERTIFICATE OF INSURANCE

TO WHOM IT MAY CONCERN

NAMED INSURED:

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

BROKER:

Lloyd Sadd Insurance Brokers Ltd.
Suite 700, 10240 - 124 Street
Edmonton, AB T5N 3W6 P: (780) 483-4544

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below. The insurance afforded is subject to the terms, conditions and exclusions of the applicable policy.

COMPANIES AFFORDING COVERAGE:

Company Letter "A" Liberty Mutual Canada

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRY DATE	LIMIT
	DIRECTORS & OFFICERS LIABILITY Directors & Officers Liability - Go-forward	B2BPAL1136880 01	March 4, 2019	April 16, 2021	\$5,000,000 Inclusive Limits/Each Claim

CANCELLATION

Should the Commercial General Liability policy be cancelled before the expiration date thereof, the issuing company will endeavor to mail *nil* days written notice to the certificate holder named above, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative.

Lloyd Sadd Insurance Brokers Ltd.

per: *Katie Magasse*

LIBERTY MUTUAL INSURANCE COMPANY

Private Advantage Liability Policy



Policy Number: B2BPAL113688001

Liberty Private Advantage Liability (PAL) Policy Declarations

THIS IS A CLAIMS MADE POLICY. ALL ITEMS IN BOLD ARE DEFINED IN THE POLICY. Liberty Mutual Insurance Company (hereinafter referred to as "Liberty") agrees to cover any **loss** if the **claim** is first made against any **insured** during the **policy period** and reported to Liberty as soon as practicable. Please read the attached **policy** terms carefully.

Item I **COMPANY:**

JMB Crushing Systems Inc.

Item II **ADDRESS:**

PO Box 6977
 Bonnyville, Alberta
 T9N 2H4 Canada

Item III **POLICY PERIOD:**

From 12:01 am March 04, 2019 To 12:01 am March 04, 2020

All times above at local time at the address shown in Item II

Item IV **LIMITS OF LIABILITY:**

Any **loss** payable under this **policy** for specific **claim** types is limited to the Limit of Liability for the applicable **claim** type as set forth below. All **loss** payable under this **policy** is further subject to the Total Limits of Liability noted below. If the **insured** has purchased a single combined aggregate Limit of Liability for all **claim** types then any **loss** paid under this **policy** for a specific **claim** type will reduce or potentially exhaust the remaining Limit of Liability for other **claim** types.

Executive / Insured Entity	Each loss and aggregate	\$ 5 000 000
Wrongdoing:	per policy period	
Wrongful Employment Practices:	Each loss and aggregate	\$ 5 000 000
	per policy period	
Fiduciary Wrongdoing:	Each loss and aggregate	N/A
	per policy period	
	Total Limits of Liability:	\$ 5 000 000

Policy Number: B2BPAL113688001

Item V SUBLIMITS OF LIABILITY:

Public Relations Costs Coverage for Crises:	Each loss and aggregate per policy period	\$100,000
Investigation Costs for Derivative Demands:	Each loss and aggregate per policy period	\$250,000
Criminal or Penal Proceeding against insured entity :	Each loss and aggregate per policy period	\$250,000
Formal inquiry, investigation or commission against insured entity :	Each loss and aggregate per policy period	\$250,000

Item VI DEDUCTIBLE(S):

Executive / Insured Entity Wrongdoing:	\$ 5 000
Wrongful Employment Practices:	\$ 5 000
US Wrongful Employment Practices	\$ 25 000
Fiduciary Wrongdoing:	N/A

Item VII PENDING OR PRIOR LITIGATION DATE:

Executive / Insured Entity Wrongdoing:	March 04, 2019
Wrongful Employment Practices:	March 04, 2019
Fiduciary Wrongdoing:	N/A

Item VIII UNILATERAL DISCOVERY PERCENTAGE:	75 %
BILATERAL DISCOVERY PERCENTAGE:	100 %

Item IX ENDORSEMENT(S):	3
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Item X POLICY PERIOD PREMIUM:	\$ 8 690
ANNUALIZED PREMIUM:	\$ 8 690

This **policy** is valid only if, in addition to the facsimile signature of the President of Liberty Mutual Insurance Company, it is dated and signed below by a duly authorized representative of the Liberty Mutual Insurance Company.



Policy Number: B2BPAL113688001

Authorized Representative of Liberty Mutual Insurance Company

March 05, 2019

Date

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of Liberty Mutual Insurance Company's insurance business in Canada.

1	INSURING AGREEMENTS		
1.1A	PERSONAL COVERAGE FOR INSURED INDIVIDUALS (SIDE A COVERAGE)	2.4	EXCLUSIONS FOR WRONGFUL EMPLOYMENT PRACTICES OR INSURED ENTITY WRONGDOING OTHER THAN DEFENCE COSTS:
1.1B	COVERAGE FOR ENTITY INDEMNIFICATION (SIDE B COVER)	(a)	Written Employment Contract
1.1C	COVERAGE FOR ENTITY LIABILITY (SIDE C COVER)	(b)	Employee Benefits
1.1D	ADDITIONAL COVERAGE FOR EXECUTIVES (SIDE A COVER)	(c)	Front Pay
1.2	COVERAGE EXTENSIONS	(d)	Termination
(a)	Personal Coverage for Outside Directorships	(e)	Non-Monetary Claim
(b)	Public Relations Costs Coverage for Crises	(f)	Workplace Compliance Costs
(c)	Investigation Costs Coverage for Derivative Demands	(g)	Compensation
		2.5	EXCLUSIONS FOR FIDUCIARY WRONGDOING:
2	EXCLUSIONS	(a)	Liability of Others Assumed Under Contract
2.1	EXCLUSIONS APPLICABLE TO ALL INSURED	(b)	Intentional Breach of Government Benefits Legislation
(a)	Pending and Prior Litigation	(c)	Plan Funding/Deficit
(b)	Prior Claims, Facts, Circumstances	(d)	Employee Benefits
(c)	Dishonesty, Fraud, Criminal Intent	3	DEFINITIONS
(d)	Illegal Benefit	4	CLAIMS CONDITIONS
(e)	Insured Entity vs. Insured	4.1	NOTICE, REPORTING OF CLAIMS AND POTENTIAL CLAIMS AND DUTIES OF THE INSURED
(f)	Bodily Injury, Property Damage	4.2	DEFENCE AND SETTLEMENT
(g)	Pollution	4.3	ALLOCATION
(h)	Securities Claim	4.4	PRIORITY OF PAYMENTS
(i)	Employed Lawyers	4.5	OTHER INSURANCE
2.2	EXCLUSIONS FOR INSURED ENTITY ONLY:	4.6	SUBROGATION AND FURTHER ASSURANCES
(a)	Contract	5	GENERAL CONDITIONS
(b)	Trade Practices	5.1	LIMIT(S) OF LIABILITY
(c)	Government Benefits Legislation	5.2	DEDUCTIBLES
(d)	Services Liability	5.3	DISCOVERY PERIOD
(e)	Intellectual Property	5.4	SPOUSAL BENEFIT & ESTATE ENUREMENT
(f)	Product Liability	5.5	EXPOSURE CHANGES – MERGERS, ACQUISITIONS, SALE
(g)	Dividend/Option	5.6	SEVERABILITY
2.3	EXCLUSIONS FOR WRONGFUL EMPLOYMENT PRACTICES OR INSURED ENTITY WRONGDOING	5.7	TERMINATION AND PREMIUM REFUND
(a)	Liability of Others Assumed Under Contract	5.8	TERRITORY AND CURRENCY
(b)	Labour Relations	5.9	ARBITRATION AND APPLICABLE LAW
(c)	Government Sponsored Benefits	5.10	AUTHORIZATION
(d)	Employee Benefits Administration	5.11	AMENDMENT OR ASSIGNMENT
(e)	Payroll	5.12	INTERPRETATION
(f)	Pay Equity	5.13	NOTICE OF MEMBERSHIP IN LIBERTY MUTUAL HOLDING COMPANY INC
(g)	US Fair Labour Standards Act	5.14	NOTICE OF NON RENEWAL
		5.15	GLOBAL LIBERALIZATION

1. INSURING AGREEMENTS

The Insuring Agreements are part of this contract of insurance (“the **policy**”). This **policy** also includes the Exclusions, Definitions, Claims Conditions and General Conditions found in paragraphs 2 through 5.

Any headings and titles in this **policy** exist only to make the **policy** easier to read and do not create or affect coverage. Terms in **bold** used in this **policy** are defined in paragraph 3.

Liberty has agreed to issue this **policy**:

- i) in reliance on the **application**; and
- ii) on the condition that the **insured** must pay any premium(s) when due.

Liberty only agrees to cover any **loss** if the **claim** is first made against any **insured** during the **policy period** and reported to Liberty as soon as practicable.

1.1 A PERSONAL COVERAGE FOR INSURED INDIVIDUALS (“SIDE A COVER”)

Liberty agrees to pay on behalf of the **insured individuals** any **loss** on the condition that:

- i) the **loss** results from a **claim** first made against an **insured individual** during the **policy period**;
- ii) the **claim** is made against them in the capacity in which they are an **insured** under this **policy**; and
- iii) the **claim** is based on executive wrongdoing, fiduciary wrongdoing or wrongful employment practices;

provided that:

- iv) the **insured individual** is not indemnified for the **loss** by an **insured entity**.

This coverage shall not be rescinded by Liberty in whole or in part for any reason.

1.1 B COVERAGE FOR ENTITY INDEMNIFICATION (“SIDE B COVER”)

Liberty agrees to pay on behalf of the **insured entity** any **loss** on the condition that:

- i) the **loss** results from a **claim** first made against an **insured individual** during the **policy period**;
- ii) the **claim** is made against the **insured individual** in the capacity in which they are an **insured** under this **policy**;
- iii) the **claim** is based on executive wrongdoing, fiduciary wrongdoing or wrongful employment practices; and
- iv) the **insured entity** indemnifies the **insured individual**;

provided that:

- v) the **insured entity** is permitted or required by applicable law to indemnify the **insured individual**.

1.1 C COVERAGE FOR ENTITY LIABILITY (“SIDE C COVER”)

Liberty agrees to pay on behalf of the **insured entity** any **loss** on the condition that:

- i) the **loss** results from a **claim** first made against an **insured entity** during the **policy period**; and
- ii) the **claim** is based on executive wrongdoing, fiduciary wrongdoing, wrongful employment practices or insured entity wrongdoing.

1.1 D ADDITIONAL COVERAGE FOR EXECUTIVES (“SIDE A COVER”):

Liberty agrees to pay on behalf of any **executive** an additional Limit of Liability under this **policy** for any **loss** on the condition that:

- i) the **loss** results from a **claim** made against an **executive** during the **policy period**;
- ii) the additional Limit of Liability is equal to the Executive/Insured Entity Wrongdoing Limit of Liability stated in Item IV of the **declarations** or \$1,000,000, whichever is less; and
- iii) the **claim** is based on **executive wrongdoing, wrongful employment practices** or **fiduciary wrongdoing**;

provided that:

- iv) the **executive** is not indemnified for the **loss** by an **insured entity**;
- v) the additional Limit of Liability provided by this paragraph shall be specifically excess of:
 - 1) the Executive/Insured Entity Wrongdoing Limit of Liability stated in Item IV of the **declarations**; and
 - 2) the limit of liability under any other policy that is excess of this **policy** and such excess insurance must be completely exhausted before Liberty has any obligation to pay any **loss** under this paragraph.

1.2 COVERAGE EXTENSIONS

(a) PERSONAL COVERAGE FOR OUTSIDE DIRECTORSHIPS

Liberty agrees to pay on behalf of the **executives** and the **insured entity** under paragraphs 1.1 A and 1.1 B (“Side A & B Cover”) any **loss**:

- i) in their capacity as members of the board of directors, trustees or equivalent position of any not-for-profit or charitable organization;
- ii) which results from a **claim** first made against them during the **policy period**;
- iii) which results from **executive wrongdoing**; and
- iv) which is excess of any indemnification to which the **executive** is entitled from the not-for-profit or charitable organization, and also of any insurance coverage available under policies issued to such organization or to its **executives**;

provided that:

- v) at the time of the **executive wrongdoing**, which is the subject of the **claim**, the **executive** is or was serving on the board of directors, trustees or equivalent position of the not-for-profit or charitable organization at the request of the **company**.

However there is no coverage for the not-for-profit or charitable organization itself or for any other director, officer or employee of such organization.

(b) PUBLIC RELATIONS COSTS COVERAGE FOR CRISES

Liberty agrees to pay on behalf of the **insured entity** any **public relations costs** which it reasonably incurs in engaging public relations consultants to manage a **crisis**; provided that:

- i) the **crisis** is first reported to Liberty during the **policy period**;
- ii) Liberty has no duty to defend any **insured** against **crises**;

- iii) Liberty has no duty to indemnify any **insured** for any judgment, penalty, sentence, order or condemnation of any kind resulting from a **crises**; and
- iv) coverage under this paragraph is not considered **defence costs** and is subject to the sublimit of liability stated in Item V of the **declarations** and shall not be construed to accumulate or be in excess of the Limits of Liability stated in Item IV of the **declarations**.

(c) **INVESTIGATION COSTS COVERAGE FOR DERIVATIVE DEMANDS**

Liberty agrees to pay on behalf of the **insured entity** any **investigation costs** which it reasonably incurs solely in connection with a **derivative demand**; provided that:

- i) the **derivative demand** is first made during the **policy period**;
- ii) Liberty has no duty to defend any **insured** against a **derivative demand**; and
- iii) coverage under this paragraph is not considered **defence costs** and is subject to the sublimit of liability stated in Item V of the **declarations** and shall not be construed to accumulate or be in excess of the Limits of Liability stated in Item IV of the **declarations**.

2. EXCLUSIONS

2.1 EXCLUSIONS APPLICABLE TO ALL INSURED

There is no coverage for **public relations costs** or **investigation costs** under paragraph 1.2 of this **policy**; or for **loss** resulting from a **claim**:

- (a) **PENDING AND PRIOR LITIGATION: based on** any litigation, claim, demand, cause of action, legal or quasi-legal proceeding, decree or judgment against or involving any **insured**:
 - i) which was pending on the date stated in Item VII of the **declarations** or which happened prior to that date; and
 - ii) which any **insured** knew about on that date,or any subsequent **claim** or **loss based on** substantially the same matters as were alleged in such prior or pending litigation, claim, demand, cause of action, legal or quasi-legal proceeding, decree or judgment;
- (b) **PRIOR CLAIMS, FACTS, CIRCUMSTANCES: based on** a **claim** or facts or circumstances which could reasonably be expected to give rise to a **claim**, which has been notified to and accepted by Liberty or any other insurer under any prior policy of which this **policy** is a renewal or replacement and if such prior policy affords coverage or would afford coverage except for the exhaustion of the applicable Limit of Liability;
- (c) **DISHONESTY, FRAUD, CRIMINAL INTENT: based on wrongdoing** or violation of the law deliberately committed or attempted by an **insured** with dishonest, fraudulent or criminal purpose or intent if a final, non-appealable judgment or adjudication (other than a judgment or adjudication in an action or proceeding initiated by Liberty to determine coverage under the **policy**) establishes that such act, omission or willful violation occurred and was material to the outcome of such judgment or adjudication;
- (d) **ILLEGAL BENEFIT: based on** any profit, sum of money, advantage or benefit obtained by any **insured** to which they are not legally entitled if a final, non-appealable judgment or adjudication (other than a judgment or adjudication in any action or proceeding initiated by Liberty to determine coverage under the **policy**) establishes that such act, omission or willful violation occurred and was material to the outcome of such judgment or adjudication;
- (e) **INSURED ENTITY VS. INSURED: brought by or on behalf of any insured entity**. However, this exclusion does not apply to:
 - i) **defence costs** for a **claim** under paragraph 1.1 A;

- ii) a **claim** that is a **derivative action** and, for the purposes of this exception, the assistance, active participation or intervention for which “whistleblower” protection is afforded under section 425.1 of the *Criminal Code*, R.S.C. 1985, c. C-46, United States Code Title 18 § 1514A or similar provisions of any applicable law or regulation anywhere in the world, shall not alone be considered to be brought with the assistance, active participation, or intervention of any **insured individual** or **insured entity**;
 - iii) a **claim** brought by or on behalf of the **company** by any receiver, trustee, liquidator, monitor or creditors’ committee appointed on behalf of any **insured entity** by a court or creditor when the **company** is **bankrupt or insolvent**;
 - iv) a **claim** brought or maintained outside the United States of America, Canada or any other common law jurisdiction, including any territories therein; or
 - v) a **claim** that is against an **insured individual** who has not acted in that capacity at any time in the past 2 years;
- (f) **BODILY INJURY, PROPERTY DAMAGE:** for bodily injury, sickness, disease or death of any individual, violation or invasion of any right of privacy or private occupancy, or damage or destruction to any property, whether tangible or intangible, including loss of use thereof. However, this exclusion does not apply to:
- i) a **claim** for emotional distress, humiliation or mental anguish or injury resulting from libel, slander, defamation or disparagement or from a violation of an individual’s right of privacy caused by **wrongful employment practices**; or
 - ii) **defence costs** on account of any **claim** which is brought pursuant to section 217.1 of the *Criminal Code*, R.S.C., 1985, c.C-46, Bill 168, the *Ontario Occupational Health and Safety Amendment Act (Violence and Harassment in the Workplace) 2009*, the United Kingdom Corporate Manslaughter and Corporate Homicide Act of 2007, or any similar federal, provincial, territorial, state or other governmental statute, legislation, law, regulation or ordinance, against any **insured individual**;
- (g) **POLLUTION: based on pollution.** However this exclusion does not apply to:
- i) a **claim** under paragraph 1.1 A;
 - ii) a **retaliatory treatment claim**;
 - iii) a **derivative action**;
 - iv) a **claim** in connection with any private purchase or sale or any offer to privately purchase or sell, any shares of the **insured entity**; or
 - v) **defence costs** in which the **insured entity** under paragraph 1.1 B (“Side B Cover”) reasonably incurs to defend a **pollution claim** first brought and conducted against an **insured individual** in Canada;
- (h) **SECURITIES CLAIM:** which is or is **based on** a **securities claim**. However, this exclusion does not apply to:
- i) a **claim** for **executive wrongdoing** or **insured entity wrongdoing** which occurred during the **company’s initial public offering** roadshow activities; or
 - ii) a **securities claim** that is **based on** an **initial public offering** or any public debt securities offering which is subject to registration under applicable law anywhere in the world, provided that Liberty is given at least 30 days prior written notice of such offering along with a copy of the relevant prospectus or offering document and the **insured** agrees to any amendments to the terms and conditions of this **policy** and pays any additional premium which may be required by Liberty; or
- (i) **EMPLOYED LAWYER:** against any **employed lawyer based on** the performance of services as a licensed lawyer or attorney for the benefit of or on behalf of any person or entity other than the **insured**

entity, any **employee** or **executive**, in their capacity as such, even if such service is at the request of the **insured entity** or part of the regular assigned duties of the **employed lawyer**.

2.2 EXCLUSIONS FOR INSURED ENTITY ONLY

There is no coverage for the **insured entity** for **public relations costs** or **investigation costs** under paragraph 1.2 of this **policy**; or for **loss** resulting from a **claim**:

- (a) **CONTRACT: based on** any breach of or liability arising from any oral or written contract or agreement. However, this exclusion does not apply to **defence costs** for **wrongful employment practices**;
- (b) **TRADE PRACTICES: based on** violation of any applicable law anywhere in the world with respect to unfair trade practices, anti-trust, anti-competitive behavior, price fixing, bid-rigging, predatory pricing, restraint of trade or discrimination, including the *Competition Act*, R.S.C., 1985, c.C-34, or similar legislation anywhere in the world;
- (c) **GOVERNMENT BENEFITS LEGISLATION: based on** the violation of or failure to comply with any obligation imposed under legislation relating to **government sponsored benefit programs**;
- (d) **SERVICES LIABILITY: based on** any services rendered or which should have been rendered to any third party, whether for remuneration or not;
- (e) **INTELLECTUAL PROPERTY: based on** the infringement of any patent, copyright, trademark, trade secret, intellectual property rights and/or misappropriation of ideas, including “product dressing”;
- (f) **PRODUCT LIABILITY: based on** the conception, design, manufacture, advertisement, sale, distribution, use or consumption of any product which is defective, hazardous or unfit for its intended purpose, or **based on** the failure to warn that any product is defective, hazardous or unfit for its intended purpose; or
- (g) **DIVIDEND/ OPTIONS: for** any dividends or distributions of earnings or losses paid or not paid, or for share options or damages in lieu of share options.

2.3 EXCLUSIONS FOR WRONGFUL EMPLOYMENT PRACTICES OR INSURED ENTITY WRONGDOING

There is no coverage for any **insured** for **loss** resulting from a **claim based on wrongful employment practices**, or a **claim based on insured entity wrongdoing** which is:

- (a) **LIABILITY OF OTHERS ASSUMED UNDER A CONTRACT: based on** any liability of others that an **insured** has assumed under any contract, unless the **insured** would have been legally liable in the absence of such contract;
- (b) **LABOUR RELATIONS: based on** the negotiation or breach of a collective agreement involving the **company** or a violation of the collective bargaining rights of **employees** by any **insured**;
- (c) **GOVERNMENT SPONSORED BENEFITS: for** benefits under a **government sponsored benefits program**;
- (d) **EMPLOYEE BENEFITS ADMINISTRATION: based on** any actual or alleged wrongful interpretation, application, or administration of an **employee benefits program**;
- (e) **PAYROLL: based on** the failure or refusal of an **insured** to:
 - i) collect, retain, return, pay or remit employee taxes, deductions at source, pension or retirement savings contributions or other employee benefit contributions or union dues;
 - ii) pay, retain, reimburse or indemnify any salary, wages, overtime pay, vacation pay, commissions, bonuses, fees, benefits, expenses, or any remuneration of any kind owed to an **employee** of the **company**; or

- iii) grant, issue, give effect to, replace, honour, terminate, value, or in any manner whatsoever address stock or share options, whether or not such stock or share options are issued by the **company**;
- (f) **PAY EQUITY:** alleging a systemic differential in pay between **employees** who perform different work allegedly of equal or comparable value, including a **claim based on** a violation of the *Canadian Human Rights Act*, R.S.C., 1985, c.H-6, s. 11, or similar legislation anywhere in the world, but does not include a **claim** for an actual or alleged differential in pay for the same work or substantially similar work. However, this exclusion does not apply to a **retaliatory treatment claim**; or
- (g) **US FAIR LABOUR STANDARDS ACT:** made in the territorial limits and jurisdiction of the United States of America for an actual or alleged violation of or obligation, responsibility, or duty imposed under or with respect to the Fair Labor Standards Act (except the Equal Pay Act). However, this exclusion does not apply to a **retaliatory treatment claim**.

2.4 EXCLUSIONS FOR WRONGFUL EMPLOYMENT PRACTICES OR INSURED ENTITY WRONGDOING OTHER THAN DEFENCE COSTS

Other than for **defence costs**, there is no coverage for any **insured** for **loss** resulting from a **claim based on wrongful employment practices**, or a **claim based on insured entity wrongdoing** which is:

- (a) **WRITTEN EMPLOYMENT CONTRACT:** for an actual or alleged breach of any written employment contract unless the **insured** would have been liable for such **loss** in the absence of such written employment contract;
- (b) **EMPLOYEE BENEFITS:** based on any payment, consideration or benefit, other than salary, wages or commission, owed by the **company** to an **employee** or owed to an individual who is not an **employee** who is entitled to receive benefits as a result of the employment relationship, between the **company** and an **employee**, including under an **employee benefits program**;
- (c) **FRONT PAY:** alleging **loss** which constitutes front pay, future damages or other future economic relief or the equivalent thereof, if the **company** is ordered to reinstate the claimant as an **employee** by a judgment or other final adjudication and fails to do so;
- (d) **TERMINATION:** for any amount payable to an **employee** under any applicable statute or common law following dismissal, including severance, pay in lieu of notice and vacation pay. However, this exclusion does not apply to:
 - i) the portion of a **claim** amount which exceeds amounts equal to what the **insured** has reasonably and in good faith offered prior to arbitration or litigation as payment **based on** the **insured's** obligations to **employees** for termination of employment, including the minimum amount payable under the applicable statute;
 - ii) a **claim** for an actual or alleged differential in pay for the same work or substantially similar work; or
 - iii) a **retaliatory treatment claim**;
- (e) **NON-MONETARY CLAIM:** seeking only injunctive or other non-monetary relief;
- (f) **WORKPLACE COMPLIANCE COSTS:** alleging **loss** which constitutes:
 - i) the cost of compliance with or the satisfaction of obligations imposed under the *Employment Equity Act*, S.C. 1995, c.44 or any similar legislation anywhere in the world; or
 - ii) any costs or expenses associated with any accommodation or affirmative action program imposed under the *Canadian Human Rights Act*, R.S.C., 1985, c.H-6, the Americans with Disabilities Act, the United States Civil Rights Act of 1964, or similar legislation anywhere in the world, including without limitation any costs or expenses incurred by an **insured** to change, modify, alter, or improve a building, real estate, furniture, fixtures, or equipment of any kind to improve accessibility or usability; or

- (g) **COMPENSATION: based on** any dispute with respect to the valuation of salary, wages, commission, benefits, bonus, compensation or any other remuneration whatsoever provided for in a contract of employment.

2.5 EXCLUSIONS FOR FIDUCIARY WRONGDOING

There is no coverage for any **insured** for **loss** resulting from a **claim based on fiduciary wrongdoing** which is:

- (a) **LIABILITY OF OTHER ASSUMED UNDER A CONTRACT: based on** the liability of others assumed by an **insured** under any contract unless an **insured** would have been legally liable in the absence of such contract;
- (b) **INTENTIONAL BREACH OF GOVERNMENT BENEFITS LEGISLATION: based on** the intentional violation of or failure to comply with any obligation imposed under legislation relating to a **government sponsored benefits program**;
- (c) **PLAN FUNDING/DEFICIT: based on** the intentional failure to fund a **plan** in accordance with applicable law or a **plan** instrument; the failure to collect or pay contributions owed to a **plan**, unless the failure is because of the negligence of the **insured**; or the inability of a **plan** to meet any of its obligations because of the **bankruptcy and insolvency** of the **plan** or any deficit position of the **plan**. However, this exclusion does not apply to **defence costs**; or
- (d) **EMPLOYEE BENEFITS: based on** any payment, consideration or benefit other than salary, wages or commission owed by the **company** to an **employee** or an individual other than an **employee** who is entitled to receive **benefits** as a result of the employment relationship between the **company** and an **employee**, including under an **employee benefits program**. However, this exclusion does not apply to **defence costs**.

3. DEFINITIONS

“**administrator**” means an individual who at any time had, has or will have legal responsibility for the administration or management of a **plan**, but does not include any consultant or outside service provider.

“**application**” means collectively all applications, renewal applications or questionnaires which any **insured** has submitted to Liberty at any time for the purpose of obtaining initial or renewal coverage, and any other documentation or information provided to Liberty by any **insured** in support of an **application**.

“**bankrupt or insolvent/bankruptcy or insolvency**” means a situation where an **insured entity** is in the financial position as a debtor as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. R-3, and occurs when:

- a) any receiver, conservator, liquidator, trustee, sequestrator or similar official has been appointed by a federal, provincial, territorial, state or other governmental body or court or agency or by a creditor to take control of, supervise, manage or liquidate the **insured entity**;
- b) a reorganization proceeding relating to the **insured entity** is brought under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, or any similar federal, provincial, territorial, state or other governmental statute, law, regulation or ordinance; or
- c) the **insured entity** becomes a debtor-in-possession under Title 11 of the United States Bankruptcy Code or any similar federal, provincial, territorial, state or other governmental statute, law, act, rule, regulation or ordinance.

“**based on**” means “based on, arising from or attributable to”.

“**Canada’s Anti-Spam Legislation**” means An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic Means of Carrying out Commercial Activities, and to Amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, SC 2010, c.23.

“**claim**” means:

- a) any written demand for monetary or non-monetary relief;
- b) a civil action or other proceeding seeking damages or other non-monetary or injunctive relief before the civil courts and for the purposes of **wrongful employment practices**, includes an action or proceeding before any federal or provincial tribunal;
- c) a formal request for the extradition of an **executive**, but only where insurable by law;
- d) alternative dispute resolution (“ADR”), arbitration or mediation if the **insured** is obligated to participate in such ADR, arbitration or mediation;
- e) any formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order, service of summons or similar document;
- f) any criminal or penal proceeding against an **insured** commenced by the laying of an information or a return of an indictment; provided however, any coverage provided to the **insured entity** under this paragraph is subject to the sublimit of liability stated in Item V of the **declarations**; or
- g) a formal inquiry, investigation or commission conducted or appointed pursuant to statute, including but not limited to legislation governing securities, occupational health and safety, pensions and competition, initiated in writing against an **insured** and which may reasonably be expected to result in findings relevant to the **insured’s** potential civil, penal or criminal liability for **wrongdoing**; provided however, any coverage provided to the **insured entity** under this paragraph is subject to the sublimit of liability stated in Item V of the **declarations**.

However, **claim** does not include any professional disciplinary investigation or proceeding, or any investigation, inquiry, commission or hearing relating to or in connection with labour relations, labour standards or collective bargaining.

“**company**” means the company or other entity stated in Item I of the **declarations** and any **subsidiary**.

“**crisis**” means one of the following events:

- a) an **employee** layoff or restructuring involving 20% or more of total staff;
- b) an unanticipated death, incapacity or resignation of the president, chief executive officer or chief financial officer; or
- c) **bankruptcy or insolvency**.

“**declarations**” means the most current applicable Policy Declarations.

“**defence costs**” means that part of the **loss** consisting of reasonable and necessary costs incurred by an **insured** with Liberty’s consent, such consent not to be unreasonably withheld, in investigating, defending, appealing or monitoring **claims**, but this does not include expenses incurred by, or, any remuneration paid to, **insured individuals** for time spent in assessing, investigating, dealing with or assisting others to deal with a **claim**.

“**derivative action**” means an action or intervention in an action against an **insured individual** brought by a complainant in the name of and on behalf of a **company** within the meaning of and in accordance with the terms of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 or similar law or regulation anywhere in the world and that is brought without the assistance, active participation, or intervention of any **insured**.

“**derivative demand**” means any written notice, by one or more complainants, to the board of directors of an **insured entity**, of their intention to bring a **derivative action** against an **insured individual** for **wrongdoing**

“**discovery period**” means the period of time described in paragraph 5.3, but only if the requirements set out in that paragraph are met.

“**employed lawyer**” means a licensed lawyer or attorney, who is an **employee** of the **insured entity**, while performing legal services for the benefit of or on behalf of the **insured entity**.

“**employee**” means:

- a) any individual employed by the **company** at any time whether in the past, present or future, including any part-time, seasonal or temporary **employee(s)** and whom the **company** compensates by salary, wages and/or commission and has the right to govern and direct in the performance of such services; or
- b) any **independent contractor**.

“**employee benefits**” means any payment, consideration or benefit, other than salary, wages, or commission, owed by the **company** to an **employee** or a beneficiary as a result of the employment relationship, including benefits payable to an **employee** or a beneficiary under an **employee benefits program**.

“**employee benefits program**” means:

- a) any employee benefits plan, including but not limited to any registered pension plan, group sickness or accident insurance plan, private health services plan, supplementary unemployment benefit plan, deferred profit-sharing plan, employee profit-sharing plan, income maintenance insurance plan, vacation pay trust, employee trust, retirement compensation arrangements or salary deferral arrangements, all as defined in the *Income Tax Act*, R.S.C., 1985, c.1 (5th Supp.);
- b) any plan, including any welfare benefit plan, as defined in the United States Employee Retirement Income Security Act of 1974; or
- c) any similar program, plan or arrangement as described in a) and b) above, anywhere in the world.

“**executive**” means any past, present or future:

- a) duly elected, appointed, “de facto” or “deemed” director, officer, trustee, advisory board member or board observer of the board, or equivalent governing body;
- b) senior management or equivalent positions for which the **company** has provided an indemnification agreement or has amended its applicable by-laws to provide indemnification no less broad than that provided to its directors, officers or trustees;
- c) management or executive committee member of any partnership, limited partnership or joint venture which is a **subsidiary**;
- d) member of a management board or equivalent position of a limited liability company which is a **subsidiary**;
- e) individuals who hold titles, positions or capabilities equivalent to the positions of an executive as defined in items a) through d) above for a **company** incorporated within Canada or the United States of America, operating in a **foreign jurisdiction**; or
- f) **employed lawyer**;

of the **company** or under paragraph 1.2 (a) of a not-for-profit or charitable organization.

“**executive wrongdoing**” means any actual, alleged, attempted or allegedly attempted fault, error, omission, misstatement or breach of duty by any **executive** or **employee**, but only in their capacity as an **executive** or **employee**, or under paragraph 1.2 (a), of a not-for-profit or charitable organization, including any matter claimed against any **executive** solely due to their status as an **executive**.

“**fiduciary**” means any individual who at any time, whether past, present or future, has or exercises discretionary authority or control over the management of any **plan** or its assets, and who therefore is subject to fiduciary obligations under applicable law. However, **fiduciary** does not include any consultant or outside service provider.

“**fiduciary wrongdoing**” means any actual, alleged, attempted or allegedly attempted:

- a) breach of or failure on the part of a **fiduciary** to meet their fiduciary obligations to a **plan** or the beneficiaries of a **plan**;
- b) fault, error, omission, misstatement or breach of duty on the part of any **insured** in the interpretation, application and administration of a **plan**; or

- c) matter claimed against any **insured** solely with respect to a **plan** and solely by reason of their status as a **fiduciary** of a **plan**.

“**foreign jurisdiction**” means any jurisdiction other than Canada or the United States of America.

“**foreign policy**” means any standard executive liability policy (including any mandatory endorsements) approved by Liberty Mutual Insurance Company to be sold within a **foreign jurisdiction** that provides coverage substantially similar to the coverage afforded under this **policy**. If more than one such policy exists, then “**foreign policy**” means the standard policy most recently registered in the local language of the **foreign jurisdiction** or, if no such policy has been registered, then the policy most recently registered in that **foreign jurisdiction**. The term **foreign policy** shall not include any professional liability coverage.

“**government sponsored benefits program**” means any benefits or compensation program created by statute whereby funds are held or managed by a governmental body, including workmen’s compensation, unemployment insurance, pension and social security programs.

“**independent contractor**” means any individual who is contracted in writing to perform services for the **company** in the conduct or operation of the **company’s** business, provided that such individual shall be deemed an **employee** only to the extent that he or she renders services for the benefit of the **company’s** business.

“**initial public offering**” means any initial offering of voting securities of the **company** to the public, which is subject to registration under applicable law anywhere in the world.

“**insured**” means any **insured individual** or **insured entity**.

“**insured individual**” means an **executive**, a **fiduciary**, an **administrator**, or an **employee**.

“**insured entity**” means the **company** or a **plan**.

“**insured entity wrongdoing**” means any actual, alleged, attempted or allegedly attempted fault, error, omission, misstatement or breach of duty by the **insured entity**.

“**investigation costs**” means any reasonable costs, charges, fees (including but not limited to lawyers’ fees and experts’ fees) and expenses (other than regular or overtime wages, salaries or fees of the **insured individual(s)** or **employee(s)** or expenses incurred by, or, any remuneration paid to, **insured individuals** for time spent in assessing, investigating, dealing with or assisting others to deal with a **derivative demand**) approved by Liberty, such approval not to be unreasonably withheld, which are incurred by the **insured entity**, including its board of directors or any committee of the board of directors, in connection with the investigation or evaluation of any **derivative demand**.

“**loss**” means the total amount which the **insured** is legally obligated to pay for all **claims based on wrongdoing** which is covered under this **policy**, including:

- a) **defence costs**;
- b) damages, judgments, settlement amounts, **statutory liabilities**, pre-judgment and post-judgment interest, legal fees and costs awarded pursuant to judgments.

Loss does not include:

- i) any judgment, settlement, sentence, order or condemnation: (i) against an **insured entity**, resulting from a formal administrative or regulatory proceeding, formal investigative order, summons, or criminal or penal proceeding; or (ii) against an **insured entity** resulting from a formal inquiry, investigation, commission or hearing conducted or appointed pursuant to statute;
- ii) any unpaid taxes, duties or levies of the **company** or an **independent contractor** which are not **statutory liabilities**;
- iii) costs associated with the monitoring, clean up, removal, containment, treatment, detoxification or neutralization of pollutants;
- iv) punitive or exemplary damages, or the multiplied portion of any multiplied damage award, except where insurable by law; or
- v) fines and penalties; however, where insurable by law, the following are considered **loss**:

- (a) civil penalties for which an **executive** is found liable as a result of violations of the United States Foreign Corrupt Practices Act or similar legislation anywhere in the world; or
- (b) administrative fines and penalties for which an **executive** is found liable as a result of violations of **Canada's Anti-Spam Legislation**.

With respect to the insurability of iv) and v) above, of all the jurisdictions applicable to a **claim**, the jurisdiction with the most favourable laws to the **insured entity** concerning the insurability of such damages or penalties shall apply to determine whether coverage is available for such damages or penalties.

“**managerial control**” means the right pursuant to any written contract, by-laws, charter, shareholder agreement, trust indenture, joint venture agreement, limited liability company operating agreement, limited partnership agreement or similar documents of an entity to elect, appoint or designate a majority of the directors of a corporation, trustees of an income fund or trust, management committee members of a joint venture, management board members of a limited liability company, general partner of a limited partnership or any other equivalent body.

“**plan**” means

- a) any pension plan of the **company** which was on or prior to the inception date of this **policy** sponsored solely by the **company** or sponsored jointly by the **company** and a labour organization solely for the benefit of the **employees** of the **company**, including any pension plan merged into or consolidated with such pension plan prior to the inception date of this **policy**;
- b) any **employee benefits program** which was on or prior to the inception date of this **policy** sponsored solely by the **company** or sponsored jointly by the **company** and a labour organization, solely for the benefit of the **employees** of the **company**; or
- c) any **employee benefits program** which during the **policy period** becomes sponsored solely by the **company**, or jointly by the **company** and a labour organization, solely for the benefit of the **employees** of the **company**, but only on the condition that Liberty agrees by endorsement to cover it within 90 days of its becoming sponsored.

However, **plan** does not include any multi-employer plan as defined under applicable law.

“**policy**” means:

- a) the **application**;
- b) the **declarations**;
- c) policy paragraphs 1 through 5; and
- d) any endorsements, whether issued at inception or during the **policy period**.

“**policy period**” means the period from the date stated in Item III of the **declarations** to the date of termination of this **policy** pursuant to paragraph 5.7. The **discovery period** is deemed to be part of the most recent **policy period**.

“**pollution**” means:

- a) the actual, alleged or threatened seepage, discharge, dispersal, release or escape of pollutants in contravention of; or
- b) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants under:

the *Canadian Environmental Protection Act*, 1999 (S.C. 1999, c.33) or any federal, provincial, territorial, state, municipal or other governmental statute, law, regulation or ordinance, common law (including but not limited to nuisance and trespass), civil law or equity, including but limited to a **claim** for financial loss to the **insured entity**, its security holders or its creditors **based on** the matters described in a. and b. above. Pollutants include, without limitation, solids, liquids, gasses, thermal or electromagnetic irritants or contaminants or emanations, nuclear radiation or radioactive substances, smoke, vapour, odour, soot, oil or oil products, asbestos or asbestos products, silica, mould, noise, fumes, acids, alkalis, chemicals,

or waste materials including without limitation waste water or infectious or medical waste, whether or not they are to be recycled, reconditioned, or reclaimed.

“**pollution claim**” means a **claim based on pollution**.

“**public relations costs**” means any reasonable costs, charges, fees and expenses (other than expenses incurred by, or any remuneration paid to, **insured individuals** for time spent in assessing, investigating, dealing with or assisting others to deal with a **crisis**) approved by Liberty, such approval not to be unreasonably withheld, which are incurred by the **insured entity** in engaging the services of public relations consultants to advise the **insured entity** with respect to managing the public communication of and limiting disruption to the **insured entity’s** business following a **crisis**.

“**retaliatory treatment claim**” means a **claim based on** retaliatory treatment of the claimant by any **insured** resulting from the exercise by the claimant of any right under any applicable law.

“**securities claim**” means any **claim** (including a **claim** brought by any securities regulator or other government body) **based on:**

- a) a public offering of securities of the **company**, whether on the open market or arising from an **initial public offering**; or
- b) a violation of any statute governing securities including the failure to register securities issued in connection with a private placement which should have been registered with the appropriate securities regulator or other government body.

“**spouse**” means either of two persons, regardless of their gender, who i) are married to each other; ii) have cohabited continuously in a conjugal relationship outside marriage for a period of at least one year; or iii) have cohabited continuously in a conjugal relationship of some permanence outside marriage if they are the natural or adoptive parents of a child.

“**statutory liabilities**” means unpaid liabilities of the **company**, including unpaid tax liabilities and unpaid wages and deductions at source, for which any **executive** becomes personally liable in their capacity as an **executive** under any applicable statute if the **company** is **bankrupt or insolvent**.

“**subsidiary**” means any for-profit entity of which the **company** either directly or through one or more of its **subsidiaries:**

- a) owns or owned more than 50% of any issued and outstanding securities or other interest that carries a residual right to participate in the earnings of an entity, and to participate in the assets of such entity upon a liquidation or winding up of such entity; or
- b) holds or held **managerial control**.

Notwithstanding the above, coverage provided under this **policy** with respect to a **claim** made against any **insured entity** or any **insured individual** shall only apply to **wrongdoing** committed or allegedly committed after the effective date that the **insured entity** became a **subsidiary** and prior to the effective date that the **insured entity** ceased to be a **subsidiary**.

“**wrongdoing**” means any **executive wrongdoing, wrongful employment practices, fiduciary wrongdoing or insured entity wrongdoing**.

“**wrongful employment practices**” means any actual, alleged, attempted or allegedly attempted fault, error, omission, misstatement or breach of duty on the part of the **company** or by an **insured individual** acting in the performance of their duties for the **company**, in connection with one or more of the following:

- a) dismissal, including constructive dismissal, of an **employee** in breach of any employment relationship;
- b) sexual or other harassment of an **employee** at or related directly to:
 - i) the **company’s** workplace, and/or
 - ii) the **employee’s** employment;

- c) unlawful employment discrimination or violation of an **employee's** or prospective **employee's** employment-related civil rights based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy, disability or other class, status or characteristic protected under applicable law, including wrongful failure or refusal to hire or promote, wrongful discipline or demotion, wrongful deprivation of a career-opportunity, or failure to grant tenure;
- d) invasion of privacy, employment-related defamation, employment-related wrongful infliction of emotional distress, or negligent employment evaluation or any employment-related misrepresentation made to an **employee** or prospective **employee** with respect to the **company**;
- e) failure to create, apply or enforce employment-related policies or procedures at or with respect to the **company's** workplace;
- f) retaliatory treatment of an **employee** by the **company** resulting from the exercise by the claimant of any right under any applicable law; or
- g) unlawful discrimination, sexual harassment or violation of a natural person's civil rights based upon age, gender, race, colour, national origin, religion, sexual orientation or preference, pregnancy, disability or other class, status, or characteristic protected under applicable law only with respect to any customer, client or supplier or other individual or group of individuals other than an **employee** or prospective **employee** with the **company**.

4. CLAIMS CONDITIONS

4.1 NOTICE, REPORTING OF CLAIMS AND POTENTIAL CLAIMS AND DUTIES OF THE INSURED

- (a) It is a condition precedent to the **insured's** rights under this **policy** that after the chairperson, president, chief executive officer, chief financial officer or general counsel of any **company** becomes aware of any **claim**, the **insured** must give prompt written notice of such **claim** to Liberty as soon as practicable.
- (b) If the **insured** fails to notify Liberty of a **claim** promptly and Liberty substantially suffers prejudice as a result of that failure, Liberty may deny coverage in respect of that **claim** under the **policy**.
- (c) If during the **policy period**, any **insured** becomes aware of any facts, circumstances (including but not limited to a request to toll a statute of limitations) or **wrongdoing** that could reasonably give rise to a **claim** and if such facts, circumstances or **wrongdoing** are reported to Liberty during the **policy period** in writing with details as to the nature and date of such circumstances or **wrongdoing**, the identity of any potential claimant, the identity of any **insured persons(s)** involved in such circumstances or **wrongdoing**, and the manner in which the **insured** first became aware of such circumstances or **wrongdoing**, any **claim** subsequently arising from those facts or circumstances or **wrongdoing** will be deemed to be a **claim** made during the **policy period**, as long as the **insured** also gives notice of the **claim** as required by paragraph 4.1(a).
- (d) Notice of any **claim**, circumstances or **wrongdoing** as required by paragraph 4.1(a) and (c) shall be forwarded to: Liberty Mutual Insurance Company, 181 Bay St., Suite 900, Toronto, Ontario M5J 2T3, Attention: Specialty Casualty Claims, or to: claims.liu@libertyiu.com
- (e) All other notices required under any other paragraphs of this **policy** will be to the same address, but to the attention of: Specialty Casualty Underwriting Department.
- (f) Notice from Liberty to the **insured** will be given to the **company** at the address stated in Item II of the **declarations**.
- (g) All notices under this **policy** shall be sent in writing by mail, prepaid expense courier, or email and shall be effective upon receipt thereof by the addressee.
- (h) The **insured** agrees:
 - i) to cooperate fully and promptly with Liberty and its representatives when a **claim** is made;

- ii) to do nothing that may prejudice Liberty's position or its rights of recovery; and
- iii) that the **insured's** obligations under paragraphs 4.1 and 4.6 will survive any termination of this **policy**.

The failure of an **insured person(s)** to provide information and cooperate with Liberty under paragraph 4.1 (h) shall not impact the rights of any other **insured person(s)** under this **policy** in any manner.

4.2 DEFENCE AND SETTLEMENT

- (a) Liberty has the right and duty to defend the **insured** including, without limitation, the right to retain and instruct counsel against any **claim** for which coverage is available under the **policy**.
- (b) Liberty may, with the **insured's** consent, settle any **claim** for which coverage is available in whole or in part under this **policy**.
- (c) Liberty's duty to defend the **insured** ends as soon as the applicable Limits of Liability stated in Items IV of the **declarations** are exhausted. If the applicable Limits of Liability are exhausted prior to the conclusion of any **claim**, Liberty can withdraw from the defence of such **claim**, and thereafter Liberty will have no further obligations whatsoever with respect to such **claim** or under the **policy**.
- (d) **Defence costs** incurred by Liberty or by the **insured** with Liberty's consent are part of and not in addition to the applicable Limits of Liability stated in Item IV of the **declarations** and the payment by Liberty of **defence costs** reduces and may exhaust the Limits of Liability.

4.3 ALLOCATION

- (a) If a **claim** made against an **insured individual** involves a **loss** that is only partially covered by this **policy** because such **claim** includes both covered and uncovered matters, the **insured** and Liberty agree that:
 - i) with respect to **defence costs**, in order to create certainty in determining a fair and equitable allocation, 100% of all **defence costs** shall be allocated to covered **loss** and advanced by Liberty on a current basis and that this allocation shall be final and binding and shall not apply to or create any presumption with respect to the allocation of any other **loss**;
 - ii) with respect to **loss** other than **defence costs**, the **insured** and Liberty will undertake to do their best to agree in good faith on a fair allocation between covered **loss** and uncovered loss based on relative legal liability; however, no uncovered loss will be allocated to **insured individuals** if the **company** is **bankrupt or insolvent**; and
 - iii) if the **insured** and Liberty cannot agree on allocation with respect to **loss** other than **defence costs** then Liberty shall, at the **insured's** request, submit the allocation dispute to arbitration pursuant to paragraph 5.9.
- (b) If a **claim** is made against an **insured entity** and involves a **loss** that is only partly covered by this **policy** because such **claim** includes both covered and uncovered matters or covered and uncovered parties, the **insured** and Liberty will undertake to do their best to agree in good faith on a fair allocation between covered **loss** and uncovered loss based on relative legal liability; however, if a **claim** solely for **wrongful employment practices** or **fiduciary wrongdoing** is made against an **insured entity**, the allocation described in paragraph 4.3 (a)(i) shall apply.

4.4 PRIORITY OF PAYMENTS

If **losses** arising from **claim(s)** which are covered under this **policy**, taken in the aggregate, exceed the available or remaining Limits of Liability, then, at the written request of the chairperson, the president, chief executive officer or chief financial officer of the **company**, Liberty will make payments according to the following priorities:

- (a) first, pay under paragraph 1.1 A the **loss** for which any **insured individual** is not indemnified by an **insured entity**;

- (b) second, pay any remainder of the Limits of Liability under paragraph 1.1 B for **loss** for which an **insured entity** has indemnified an **insured individual**; and
- (c) third, pay any remainder of the Limits of Liability under paragraph 1.1 C for **loss** which an **insured entity** is legally obliged to pay.

In the event Liberty withholds payment pursuant to (b) above, then Liberty shall, at such time and in such manner set forth in written instructions of the chairperson, the president, chief executive officer or chief financial officer of the **company**, remit such payment to the **company** or directly to or on behalf of the **insured individuals**.

The **bankruptcy or insolvency** of any **insured** does not change Liberty's obligations to prioritize payment of covered **loss** pursuant to this paragraph.

4.5 OTHER INSURANCE

If a **loss** or part of a **loss** which would, but for this paragraph, be covered by this **policy**, is covered under any other valid and collectible insurance policy, then this **policy** is excess to the other insurance policy and covers the **loss** only to that extent, unless the other insurance policy expressly refers to this **policy** and is specifically underwritten as excess to the limits of this **policy**.

4.6 SUBROGATION AND FURTHER ASSURANCES

Liberty is subrogated to the extent of any payment under this **policy** to all the **insureds'** rights of recovery against anyone, and is entitled to the **insureds'** cooperation and to sue for recovery in the **insured's** name. However, Liberty shall not subrogate against an **insured individual** except as it relates to paragraph 2.1 (c) and (d).

5. GENERAL CONDITIONS

5.1 LIMIT(S) OF LIABILITY

- (a) Liberty's obligation to pay any one **loss** and all **loss** under this **policy** during the **policy period**, including **defence costs**, is limited to the sum of the Total Limits of Liability stated in Item IV of the **declarations** and the additional Limit of Liability provided in paragraph 1.1D. The sublimits of liability stated in Item V of the **declarations** are part of and not in addition to the Total Limits of Liability stated in Item IV of the **declarations**.
- (b) Any one **loss** resulting from one of the **claim** types stated in Item IV of the **declarations** is subject to the Limits of Liability specified for that **claim** type stated in Item IV of the **declarations**.
- (c) If a **loss** results from more than one **claim** type stated in Item IV of the **declarations** the **claim** type limits specified in Item IV apply separately to each part of the **loss**.
- (d) All **claims** arising from the same **wrongdoing** or **wrongdoing** which is causally connected or which has as a common nexus any fact, circumstance, situation, event, transaction, cause, or series of causally connected facts, circumstances, situations, events, transactions or causes, shall be deemed one **claim** and shall be deemed first made on the date the earliest of such **claims** is first made, regardless of whether such date is before or during the **policy period**.

5.2 DEDUCTIBLES

- (a) No deductible applies to **loss** resulting from:
 - i) a **claim** covered under paragraph 1.1 A;
 - ii) **defence costs** resulting from a **claim** covered under paragraph 1.1 B or 1.1 C occurring in Canada; however, a deductible will apply to any **loss** resulting from a **claim based on wrongful employment practices** covered under paragraph 1.1 B or 1.1 C; and
 - iii) **investigation costs** or **public relations costs** covered under 1.2 b) and c).

- (b) With respect to any other **loss** covered under this **policy**, Liberty's obligation is only to pay the amount which is excess of the applicable deductible stated in Item VI of the **declarations**. The **insured entity** must bear the deductible uninsured and at its own risk.
- (c) If a **loss** results from more than one **claim** type stated in Item IV of the **declarations**, the deductibles applicable to each **claim** type stated in Item VI of the **declarations** apply separately to each part of the **loss**. However, the largest deductible is the maximum deductible applicable for all **loss** arising from such **claim**.
- (d) The **insured entities** must indemnify the **insured individuals** to the full extent permitted or required by applicable law and with respect to any advisory board member or board observer, the **insured entities** will be expected to indemnify such individuals in the same manner and Liberty will apply the deductible in the same manner as outlined in paragraph 5.2 (b) to any advisory board member or board observer. However, if the **insured entities** are financially unable to pay the deductible under this **policy** due to **bankruptcy or insolvency** or any **insured entity** refuses to indemnify the **insured individuals**, Liberty will advance the deductible to the **insured individuals** on behalf of the **insured entities**, with a full right of recovery against the **insured entities**, no later than 60 days after Liberty has received in writing details of such refusal or failure.

5.3 DISCOVERY PERIOD

- (a) If Liberty terminates or refuses to renew this **policy** other than for non-payment of premium or if the **insured** terminates or fails to renew this **policy**, coverage under this **policy** is automatically extended for 60 days following the effective date of termination, but only for any **wrongdoing** which happens before the effective date of termination of this **policy** and only if there is no replacement policy obtained providing coverage anytime during this 60 day period.
- (b) If Liberty terminates or refuses to renew this **policy**, other than for non-payment of premium, the **insured** can extend coverage under the **policy** for 12 months following the effective date of termination by written notice to Liberty and by paying an additional premium equal to the Unilateral Discovery Percentage amount stated in Item VIII of the **declarations** of the annual premium stated in Item X of the **declarations**, or revised annual premium amount as agreed to in writing, within 60 days following the effective date of termination.

However, the extension only applies to **wrongdoing** that occurred before the effective date of termination. If the **insured** chooses the automatic extension in paragraph 5.3 (a), such extension is part of and not in addition to the 12 month period in 5.3(b).

- (c) If the **insured** terminates or refuses to renew this **policy**, the **insured** can extend coverage under the **policy** for 12 months following the effective date of termination by giving written notice to Liberty, and paying an additional premium equal to the Bilateral Discovery Percentage amount stated in Item VIII of the **declarations** of the annual premium stated in Item X of the **declarations**, or revised annual premium amount as agreed to in writing, within 60 days following the effective date of termination.

However, the extension only applies to **wrongdoing** that happened before the effective date of termination. If the **insured** chooses the automatic extension in paragraph 5.3 (a), such extension is part of and not in addition to the 12 month period in 5.3(c).

- (d) The **discovery period** is part of the last **policy period** and does not increase the limits under paragraph 5.1.
- (e) An offer by Liberty of renewal terms and conditions or premiums different from those in effect prior to renewal is not a "refusal to renew" by Liberty under paragraphs 5.3 (a) or (b).

5.4 SPOUSAL BENEFIT & ESTATE ENUREMENT

- (a) If a **claim** against the **insured** for **wrongdoing** includes a **claim** against an **executive's spouse** solely because he/she is the **executive's spouse**, or to recover the **spouse's** assets, anything which the **spouse** is legally obliged to pay as a result of the **claim** (including **defence costs**) is a **loss** attributed to the

insured under this **policy**. However, there is no coverage for the **spouse** if the **claim** alleges a wrongful act on the part of the **spouse**.

- (b) This **policy** is binding upon and applies to the benefit of the **insured's** estate, heirs, executors, administrators and legal representatives, but only in respect of **wrongdoing** on the **insured's** part.

5.5 EXPOSURE CHANGES – MERGERS, ACQUISITIONS, SALE

- (a) If during the **policy period** the **company** merges or amalgamates with another entity, the **company** must give prompt notice of the merger or amalgamation to Liberty.
- (b) If during the **policy period** the **company** acquires or creates a new entity which becomes its **subsidiary**, and the new entity's assets at the date of acquisition or creation are less than 35% of the assets of the **company** on a consolidated basis, coverage under this **policy** extends to the new entity and to any **plan** connected with the new entity but only with respect to any **wrongdoing** occurring after such acquisition or creation.
- (c) If during the **policy period** the **company** acquires or creates a new entity which becomes its **subsidiary** and the new entity's assets at the date of acquisition or creation are more than 35% of the assets of the **company** on a consolidated basis, then:
- i) coverage under this **policy** extends to the new entity and to any **plan** connected with the new entity for 90 days but only with respect to any **wrongdoing** occurring after such acquisition or creation;
 - ii) the coverage for the new entity and for any **plan** connected with the new entity terminates at the end of the 90 day period unless, before the end of the 90 day period:
 - a) the **company** has given written notice of the acquisition or creation of the new entity to Liberty,
 - b) Liberty has agreed to cover it by endorsement, and
 - c) the **company** has paid any additional premium required by Liberty.
- (d) If the **company** or any **subsidiary** is sold or dissolved during the **policy period** this **policy** will continue to apply to **claims** involving:

the sold or dissolved entity and/or its **executives**, and any **plan** sponsored by or connected with the sold or dissolved entity, and any **fiduciary** or **administrator** of that **plan** until the termination date of this **policy** or any renewal policy, but only for **wrongdoing** occurring before the sale or dissolution. Sale of the **company** means: a change in the control of the **company** within the meaning of subsection 2(3) of the *Canada Business Corporations Act* R.S.C. 1985 c. C-44. Sale of a **subsidiary** means: a sale of more than 50% of any issued and outstanding securities or other interest of the **subsidiary** that carries a residual right to participate in the earnings of an entity, and to participate in the assets of such entity upon a liquidation or winding up of such entity; or the loss of **managerial control** of the **subsidiary**.

5.6 SEVERABILITY

For the purpose of assessing:

- (a) whether or not there is a material misrepresentation or non-disclosure in the **application**; or
- (b) whether or not exclusions or limitations of coverage apply,

no knowledge or statement by any **insured individual** will be imputed to any other **insured individual**. However, any knowledge or statement by the chairperson, president, chief executive officer or chief financial officer will be imputed to the **company** or **plan**.

5.7 TERMINATION AND PREMIUM REFUND

- (a) This **policy** terminates at the earliest of the following times:

- i) on the date stated in Item III (B) of the **declarations**;
 - ii) the later of the date of receipt or deemed receipt by Liberty of written notice of termination from the **company** or the date specified in such notice;
 - iii) for non-payment of premium, fifteen (15) days after receipt or deemed receipt by the **company** of Liberty's written notice of termination;
 - iv) on any other date mutually agreed upon by the **company** and Liberty.
- (b) If this **policy** is terminated under paragraph 5.7 (a) (ii) or (iii), Liberty will refund any unearned premium on a pro rata basis.

5.8 TERRITORY AND CURRENCY

- (a) Coverage under this **policy** applies to **wrongdoing** which takes place and to **claims** anywhere in the world.
- (b) Unless the **declarations** expressly state otherwise, all dollar amounts in this **policy** refer to Canadian currency and all **loss** is payable in Canadian currency. If any Items stated in the **declarations** stipulate a currency other than Canadian dollars, all monetary amounts in the **policy** shall refer to such stipulated currency and all **loss** is payable in that stipulated currency.

5.9 ARBITRATION AND APPLICABLE LAW

- (a) If requested by either party, any dispute about coverage under this **policy**, including any dispute as to allocation, will be submitted to mediation and/or arbitration. Except as regards the choice of arbitrator or arbitration panel, the mediation and/or arbitration will be governed by the law of the province or territory of the address of the **company** stated in Item II of the **declarations**, unless the **company** and Liberty expressly agree otherwise in writing. The arbitration panel shall consist of one arbitrator selected by the **company**, one arbitrator selected by Liberty and one arbitrator selected by the first two arbitrators. None of the arbitrators can be former or present **insureds** or shareholders, partners or principals of or otherwise affiliated in business with any **insureds** or Liberty.
- (b) This **policy** is governed by the law of the jurisdiction in which it was issued without giving effect to the choice of law rules of that jurisdiction.

5.10 AUTHORIZATION

The **company** stated in Item I of the **declarations** is appointed as the agent of all **insureds** for all purposes under this **policy**, and by accepting this **policy** the **company** represents and warrants to Liberty that it is authorized to act on behalf of all **insureds**. The **company** is not an agent of Liberty.

5.11 AMENDMENT OR ASSIGNMENT

No amendment or change to, or assignment in whole or in part of an interest in, this **policy** is effective unless made in writing and signed by an authorized representative of Liberty.

5.12 INTERPRETATION

In this **policy**:

- (a) words and expressions shall be read with such changes in gender or number as the context shall require.
- (b) the headings and titles to the table of contents and paragraphs are meant to make it easier to read, and do not create or affect coverage.
- (c) a reference to an act, statute or any applicable law is deemed to extend to and include any amendments and successor acts, statutes or applicable laws and any rules, regulations, orders or directives issued thereunder.

5.13 NOTICE OF MEMBERSHIP IN LIBERTY MUTUAL HOLDING COMPANY INC.

While this **policy** is in effect, the **company** first named in Item I of the **declarations** is a member of Liberty Mutual Holding Company Inc. and is entitled to vote either in person or by proxy at any and all meetings of said company. The Annual Meeting of Liberty Mutual Holding Company Inc. is in Boston, Massachusetts, on the second Wednesday in April each year at ten o'clock in the morning.

The **company** first named in Item I of the **declarations** shall participate in the distribution of any dividends declared by Liberty Mutual Holding Company Inc. for this **policy**. The amount of such **company's** participation is determined by the decision of Liberty Mutual Holding Company Board of Directors in compliance with any laws that apply.

5.14 NOTICE OF NON RENEWAL

Liberty has no obligation to renew this **policy**. However, if Liberty refuses to renew this **policy**, Liberty shall provide written notice of non-renewal to the **company** no less than 90 days prior to the effective date of termination of this **policy**. This notice applies only if the **company** submits a completed **application** in advance of the prescribed notice date. An offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute refusal to renew.

5.15 GLOBAL LIBERALIZATION

Where legally permissible, this **policy** shall apply to any **claim** made against any **insured** anywhere in the world.

In regard to **claim(s)** brought and maintained solely in a **foreign jurisdiction** against an **insured entity** formed and operating in such **foreign jurisdiction** or **insured individual** thereof for any **wrongdoing** committed in such **foreign jurisdiction**, Liberty shall apply to such **claim(s)** those terms and conditions (and related provisions) of the **foreign policy** registered with the appropriate regulatory body in such **foreign jurisdiction** that are more favourable to such **insured** than the terms and conditions of this **policy**. However, this paragraph shall apply only to Paragraphs 1, 2, 3, 4.1, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.10 and 5.11 of this **policy** and the comparable provisions of the **foreign policy**. In addition, this paragraph shall not apply to the non-renewal or claims made and reported provisions of this **policy**.



President



Secretary

Endorsement No. 1

FIDUCIARY WRONGDOING EXCLUSION

Effective Date: March 04, 2019
Policy Number: B2BPAL113688001
Issued To: JMB Crushing Systems Inc.
By: Liberty Mutual Insurance Company

IT IS HEREBY UNDERSTOOD AND AGREED THAT:

1. Paragraphs 1.1A, 1.1B, 1.1C, 1.1D, 4.3(b) are amended by deleting the words, **fiduciary wrongdoing**, wherever such words are used.
2. Paragraph 2.1, **EXCLUSIONS APPLICABLE TO ALL INSUREDS**, is amended by adding the following:

FIDUCIARY WRONGDOING: based on any **fiduciary wrongdoing**.

3. Paragraph 2.5, **EXCLUSIONS FOR FIDUCIARY WRONGDOING**, is deleted in its entirety.
4. Paragraph 3 **DEFINITIONS** “insured individual,” “insured entity” and “wrongdoing” are deleted and replaced with the following:
“insured individual” means an **executive**, an **administrator**, an **employee**, an advisory board member or board observer of the **insured entity**.
“insured entity” means the **company**.
“wrongdoing” means any **executive wrongdoing**, **wrongful employment practices** or **insured entity wrongdoing**.

5. Paragraph 5.5, **EXPOSURE CHANGES- MERGERS, ACQUISITIONS, SALE** is deleted and replaced with the following:

5.5 EXPOSURE CHANGES – MERGERS, ACQUISITIONS, SALE

- (a) If during the **policy period** the **company** merges or amalgamates with another entity, the **company** must give prompt notice of the merger or amalgamation to Liberty.
- (b) If during the **policy period** the **company** acquires or creates a new entity which becomes its **subsidiary**, and the new entity’s assets at the date of acquisition or creation are less than 35% of the assets of the **company** on a consolidated basis, coverage under this **policy** extends to the new entity, but only with respect to any **wrongdoing** occurring after such acquisition or creation.
- (c) If during the **policy period** the **company** acquires or creates a new entity which becomes its **subsidiary** and the new entity’s assets at the date of acquisition or creation are more than 35% of the assets of the **company** on a consolidated basis, then:

- i) coverage under this **policy** extends to the new entity for 90 days but only with respect to any **wrongdoing** occurring after such acquisition or creation;
 - ii) the coverage for the new entity terminates at the end of the 90 day period unless, before the end of the 90 day period:
 - a) the **company** has given written notice of the acquisition or creation of the new entity to Liberty,
 - b) Liberty has agreed to cover it by endorsement, and
 - c) the **company** has paid any additional premium required by Liberty.
 - (d) If the **company** or any **subsidiary** is sold or dissolved during the **policy period** this **policy** will continue to apply to **claims** involving:

the sold or dissolved entity and/or its **executives** until the termination date of this **policy** or any renewal **policy**, but only for **wrongdoing** occurring before the sale or dissolution. Sale of the **company** means a change in the control of the **company** within the meaning of subsection 2(3) of the *Canada Business Corporations Act* R.S.C. 1985 c. C-44. Sale of a **subsidiary** means: a sale of more than 50% of any issued and outstanding securities or other interest of the **subsidiary** that carries a residual right to participate in the earnings of an entity, and to participate in the assets of such entity upon a liquidation or winding up of such entity; or the loss of **managerial control** of the **subsidiary**.
6. Paragraph 5.6 **SEVERABILITY** is amended by deleting the words “or **plan**.”

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative of Liberty Mutual Insurance Company

March 04, 2019

Date

Endorsement No. 2

PRIOR ACTS EXCLUSION

Effective Date: March 04, 2019
Policy Number: B2BPAL113688001
Issued To: JMB Crushing Systems Inc.
By: Liberty Mutual Insurance Company

IT IS HEREBY UNDERSTOOD AND AGREED THAT:

Paragraph 2.1, **EXCLUSIONS APPLICABLE TO ALL INSUREDS**, is amended by adding the following:

PRIOR ACTS: based on any **wrongdoing** where all or any part of such **wrongdoing** was committed, attempted or allegedly committed or attempted prior to March 04, 2019.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative of Liberty Mutual Insurance Company

March 04, 2019

Date

Endorsement No. 3

DEFENCE COSTS IN ADDITION TO THE LIMIT (CANADA ONLY) (specified cap)

Effective Date: March 04, 2019
Policy Number: B2BPAL113688001
Issued To: JMB Crushing Systems Inc.
By: Liberty Mutual Insurance Company

IT IS HEREBY UNDERSTOOD AND AGREED THAT:

1. Paragraph 4.2 (d) is amended to include the following:

However, for any **claim** occurring in Canada, for the purposes of this **policy** an additional limit of \$ 2,000,000 per **loss** and in the aggregate per **policy period** is available solely for payment of **defence costs**. This additional limit does not apply to **defence costs** incurred under paragraph 2.1(g)v).
2. Paragraph 5.1 (a) is deleted in its entirety and replaced with the following:
 - (a) **Liberty's** obligation to pay any one **loss** and all **loss** under this **policy** during the **policy period**, including **defence costs**, is limited to the Total Limits of Liability stated in Item IV of the **declarations** and the additional Limits of Liability provided in paragraph 1.1D and 4.2(d). The Sub-Limits of Liability stated in Item V of the **declarations** are part of and not in addition to the Total Limits of Liability stated in Item IV of the **declarations**.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative of Liberty Mutual Insurance Company

March 04, 2019

Date



Victor Canada
500-1400 Blair Towers Place
Ottawa, Ontario K1J 9B8
Telephone 613-786-2000
Facsimile 613-786-2001
Toll Free 800-267-6684
www.victorinsurance.ca

Policy

PrivatePlus

Private Entity

Management Liability Insurance

Policy Number: PV-560840 Replacing Policy: New
Client Number: 430699 Broker: LLOYD SADD INS BROKERS LTD.

DECLARATIONS

1. ENTITY: MANTLE MATERIALS GROUP LTD.
2. Address: PO BOX 6977 STN MAIN
BONNYVILLE AB T9N 2H4
3. POLICY PERIOD: 04 November 2020 to 04 November 2021
at 00:01 local time at the address
shown above without tacit renewal
4. Limits of Liability: \$ 3,000,000 per CLAIM
\$ 3,000,000 per POLICY PERIOD
5. Deductible: \$ 10,000 per CLAIM with respect to
Insuring Agreements B and C
6. Premium: \$ 14,010

* All amounts shown in CDN dollars
7. Continuity Date: 04 November 2020
(as per ORIGINAL POLICY, Item V of Section II -
Definitions)
8. These Declarations, together with the statements made in the application
for this insurance, form an integral part of the attached policy
(Form EIM-PV-2013).
9. Endorsements forming part of this policy at issuance: 1 to 6
10. INSURERS: Aviva Insurance Company of Canada 25.00%
Temple Insurance Company 25.00%
Everest Insurance Company of Canada 20.00%
Arch Insurance Canada Ltd. 15.00%
XL Reinsurance America Inc. 15.00%

It is agreed that the above INSURERS are binding themselves, severally and not jointly, up to the extent of their above proportion only.

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of the subscribing INSURERS' insurance business in Canada.

Insurance Manager: Victor Insurance Managers Inc.
500-1400 Blair Towers Place
Ottawa, Ontario K1J 9B8

The INSURERS have duly authorized Victor Insurance Managers Inc. to execute and sign this policy on their behalf.

Dated: 18 November 2020



David G. Cook, President
Authorized Representative



Victor Canada
 500-1400 Blair Towers Place
 Ottawa, Ontario K1J 9B8
 Telephone 613-786-2000
 Facsimile 613-786-2001
 Toll Free 800-267-6684
 www.victorinsurance.ca

Policy

PrivatePlus

Private Entity

Management Liability Insurance

This policy is organized as follows:

Section I – Insuring Agreements Page 1	Section V – Computation of Amounts Payable Page 8
Section II – Definitions Page 1	Section VI – Notice of Claim..... Page 8
Section III – Extensions..... Page 5	Section VII – Defence and Settlement Page 8
Section IV – Exclusions Page 6	Section VIII – General Conditions..... Page 9

This is a claims-made and reported policy. It applies only to CLAIMS first made during the POLICY PERIOD or the Discovery Period and then only if reported to VICTOR within the POLICY PERIOD or the Discovery Period as outlined in Section VI or Section III of the policy, as the case may be. Please read all of the policy terms carefully.

The INSURER shall not rescind this policy.

Section I – Insuring Agreements

In consideration of the payment of the premium, in reliance upon the statements made in the application and attachments thereto, and subject to all of the terms and conditions of this policy, the INSURER agrees that:

A. Insured Persons Liability (Side A)

The INSURER shall pay, on behalf of the INSURED PERSONS, LOSS that they may become legally obligated to pay as a result of a CLAIM for a WRONGFUL ACT for which the ENTITY or an OUTSIDE ENTITY does not indemnify them.

B. Entity Indemnification (Side B)

The INSURER shall pay, on behalf of the ENTITY, LOSS that the INSURED PERSONS may become legally obligated to pay as a result of a CLAIM for a WRONGFUL ACT for which the ENTITY indemnifies them.

C. Entity Liability (Side C)

The INSURER shall pay, on behalf of the ENTITY, LOSS that the ENTITY may become legally obligated to pay as a result of a CLAIM for a WRONGFUL ACT.

Section II – Definitions

A. BENEFIT PLAN means:

- any employee pension plan or employee welfare benefit plan which, at the inception date of the ORIGINAL POLICY, is operated solely by the ENTITY, or jointly by the ENTITY and a labour organization for the benefit of the EMPLOYEES of the ENTITY;
- any medical, dental, life and accident or employee profit sharing plan which, at the inception date of the ORIGINAL POLICY, is sponsored solely by the ENTITY;

3. any BENEFIT PLAN acquired or created subsequent to the inception date of the ORIGINAL POLICY but only with respect to FIDUCIARY WRONGFUL ACTS occurring subsequent to the date of such acquisition or creation.

B. CLAIM means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by the service of a notice of action, statement of claim or similar proceeding;
3. an arbitration proceeding or mediation proceeding commenced by the service of a demand for arbitration, demand for mediation or similar document;
4. an administrative or regulatory proceeding or investigation commenced by the filing of a notice of hearing, an investigative order or similar document;
5. a criminal or penal proceeding commenced by the laying of an information or similar proceeding; or
6. an official request for EXTRADITION of any INSURED PERSON or the execution of a warrant for the arrest of an INSURED PERSON where such execution is an element of EXTRADITION;

including any appeal therefrom.

CLAIM shall not include any grievance or proceeding brought pursuant to a collective agreement.

C. CONTROL CHANGE means:

1. the acquisition by another entity or person (or group of entities or persons acting in concert) of the ownership or control of voting stock of the ENTITY named in the Declarations resulting in the ownership or control of more than fifty per cent (50%) of the voting stock of the ENTITY;
2. the merger or consolidation of the ENTITY with another entity such that the ENTITY is not the surviving entity; or
3. the initial public offering of securities of the ENTITY.

D. D&O WRONGFUL ACT means any actual or alleged defamation, breach of duty, neglect, error, misstatement, misrepresentation, omission or other act done or attempted by the INSURED PERSONS in the discharge of their duties solely in their capacity as INSURED PERSONS of the ENTITY or any matter claimed against them solely by reason of their status as INSURED PERSONS.

E. DAMAGES means:

1. compensatory damages, including but not limited to amounts for which the INSURED PERSONS are statutorily liable due to the insolvency of the ENTITY (including penalties and interest related to such statutory liabilities) pursuant to any Canadian federal, provincial or territorial law;
2. punitive or exemplary damages first rendered by a court in Canada or the United States; or
3. civil penalties assessed against an INSURED PERSON pursuant to the Corruption of Foreign Public Officials Act of Canada or any equivalent federal, provincial, territorial, state or other governmental law;

which the INSUREDS are legally obligated to pay as a result of a judgment, settlement or assessment, including pre- and post-judgment interest and costs taxed against the INSURED. DAMAGES shall not include fines, penalties or damages that may be deemed uninsurable. It is agreed that insurability shall be governed by such applicable law of the jurisdiction that most favours coverage provided such jurisdiction has a substantial relationship to the relevant INSUREDS or to the CLAIM giving rise to the DAMAGES.

F. DEFENCE COSTS means reasonable and necessary legal, accounting, adjusting or investigating expenses incurred for the defence of CLAIMS.

G. EMPLOYEE means any past, present or future individual whose labour or service is engaged and directed by the ENTITY in the normal course of the ENTITY'S business, including voluntary, part-time, seasonal, temporary, contract or leased employees, but not including independent contractors unless specifically added by endorsement to this policy, solely while acting in their capacity with the ENTITY, including the estates, heirs, legal representatives or assigns of any said deceased, incompetent, insolvent or bankrupt individuals.

H. ENTITY means:

1. the entity named in the Declarations;

2. any SUBSIDIARY at the inception date of this policy and any former SUBSIDIARY; however, coverage is afforded only with respect to WRONGFUL ACTS occurring during its currency as a SUBSIDIARY;
3. any SUBSIDIARY acquired or created after the inception date of this policy on condition that:
 - (a) written notice, together with full information thereof, is provided to VICTOR within ninety (90) days of the acquisition or creation of any new SUBSIDIARY whose total consolidated assets exceed fifty per cent (50%) of the total consolidated assets of the ENTITY as reflected in the ENTITY'S most recent audited consolidated financial statements prior to such acquisition or creation;
 - (b) coverage shall apply only to WRONGFUL ACTS occurring subsequent to the effective date of such acquisition unless the INSURER agrees, after presentation of a complete application and all appropriate information, to provide coverage for WRONGFUL ACTS occurring prior to such acquisition; and
 - (c) an additional premium as may be required by the INSURER be paid;
4. the ENTITY as a debtor-in-possession;
5. an OUTSIDE ENTITY for the purposes of Section IV.

I. ENTITY WRONGFUL ACT means:

1. any actual or alleged breach of duty, neglect, error, omission, misstatement or misrepresentation done or attempted by the ENTITY; or
2. liability alleged against the ENTITY arising out of a D&O WRONGFUL ACT.

ENTITY WRONGFUL ACT shall not include:

- (a) an EPL WRONGFUL ACT;
- (b) a FIDUCIARY WRONGFUL ACT;
- (c) liability arising out of or attributable to any actual or alleged unauthorized use or infringement of any patent, trademark, copyright, service mark, trade dress or trade secret;
- (d) liability arising out of or attributable to the use of products designed, manufactured or distributed by the ENTITY;
- (e) liability arising out of or attributable to any actual or alleged violation of any applicable law with respect to the Competition Act, business competition or unfair trade practices; or
- (f) liability arising out of or attributable to the rendering or failure to render any kind of service for others, either gratuitously or for a fee.

J. EPL WRONGFUL ACT means any actual or alleged:

1. wrongful termination of employment;
2. breach of an employment contract;
3. discrimination or harassment adversely affecting any EMPLOYEE of or applicant for employment with the ENTITY;
4. negligent evaluation or wrongful deprivation of a career opportunity or failure to employ, promote or grant tenure;
5. wrongful discipline or demotion of EMPLOYEES or infliction of emotional distress;
6. employment-related misrepresentation;
7. employment-related defamation;
8. retaliatory treatment against an EMPLOYEE of the ENTITY on account of such EMPLOYEE'S exercise of his/her rights under law; or
9. discrimination or harassment with respect to any past, present or prospective customers or clients of the ENTITY.

K. EXTRADITION means any formal process by which an INSURED PERSON located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.

L. FIDUCIARY means any INSURED PERSON, the BENEFIT PLAN and the ENTITY.

- M. FIDUCIARY WRONGFUL ACT means any actual or alleged act, error or omission arising out of the management or administration of a BENEFIT PLAN.
- N. INSURED means the INSURED PERSONS, FIDUCIARY and the ENTITY.
- O. INSURED PERSON means:
1. any past, present or future duly elected, appointed or de facto director, officer, trustee, governor, general counsel, risk manager, management committee member or management board member (including equivalent executive positions in foreign jurisdictions) of the ENTITY, while acting within the scope of his/her duties as such, including the estates, heirs, legal representatives or assigns of any said deceased, incompetent, insolvent or bankrupt INSURED PERSONS;
 2. any EMPLOYEE of the ENTITY only if and to the extent a CLAIM is made against him/her for an EPL WRONGFUL ACT, a FIDUCIARY WRONGFUL ACT, an ODL WRONGFUL ACT, or a PROFESSIONAL SERVICES WRONGFUL ACT; or
 3. any EMPLOYEE of the ENTITY only if and to the extent a CLAIM is made against him/her for a D&O WRONGFUL ACT inasmuch as they are named as a de facto director or officer.
- P. INSURER means the insurers whose names appear in the Declarations.
- Q. INTERRELATED WRONGFUL ACTS means WRONGFUL ACTS that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- R. INVESTIGATIVE COSTS means reasonable and necessary legal, accounting, adjusting or investigating expenses incurred in connection with the investigation or evaluation of any CLAIM made derivatively for a D&O WRONGFUL ACT.
- S. LOSS means DAMAGES and DEFENCE COSTS resulting from a CLAIM for which coverage is provided by this policy.
- T. ODL WRONGFUL ACT means a D&O WRONGFUL ACT committed by an OUTSIDE DIRECTOR.
- U. ORIGINAL POLICY means the first policy purchased by the ENTITY providing coverage of a similar nature to this policy and which has continued through renewal or reinstatement on an uninterrupted basis since its inception. Each Insuring Agreement is considered separately.
- V. OUTSIDE DIRECTOR means any INSURED PERSON acting in the capacity as a duly elected or appointed director, officer or trustee of an OUTSIDE ENTITY, provided such position is being held at the specific request of the ENTITY.
- W. OUTSIDE ENTITY means:
1. any legally constituted non-profit association or organization; or
 2. any other entity specifically stated as such in an endorsement attached hereto.
- X. POLICY PERIOD means the period from the inception date of this policy to the policy expiration date as set out in the Declarations or a shorter period in the event the policy is cancelled.
- Y. POLLUTANTS means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste reconditioned or reclaimed materials, as well as any air emission, odour, waste water, oil or oil products, infectious or biological waste, asbestos or asbestos products, or any noise.
- Z. PROFESSIONAL SERVICES means duties performed for the ENTITY by EMPLOYEES solely in their professional capacity as lawyers, notaries, chartered accountants, certified management accountants, certified general accountants and chartered professional accountants.
- AA. PROFESSIONAL SERVICES WRONGFUL ACT means any actual or alleged act, error or omission arising out of PROFESSIONAL SERVICES.
- BB. SUBSIDIARY means:
1. any entity of which the ENTITY or a SUBSIDIARY owns more than fifty per cent (50%) of the voting stock and controls more than fifty per cent (50%) of the associated votes; or
 2. any partnership, limited partnership (including its general partner), trust or joint venture that the ENTITY or a SUBSIDIARY manages or operates under the terms and conditions of an applicable agreement governing such partnership, limited partnership, trust or joint venture.

CC. VICTOR means the insurance manager whose name and address appear in the Declarations, which is authorized to be the agent of the INSURER. VICTOR is not a party to this contract of insurance.

DD. WRONGFUL ACT means:

1. Solely with respect to Insuring Agreements A and B, WRONGFUL ACT means a D&O WRONGFUL ACT, an EPL WRONGFUL ACT, a FIDUCIARY WRONGFUL ACT, an ODL WRONGFUL ACT, and/or a PROFESSIONAL SERVICES WRONGFUL ACT.
2. Solely with respect to Insuring Agreement C, WRONGFUL ACT means an ENTITY WRONGFUL ACT, an EPL WRONGFUL ACT and/or a FIDUCIARY WRONGFUL ACT.

Section III – Extensions

Subject to the terms, conditions and exclusions of this policy:

A. Discovery Period

If the INSURER refuses to renew this policy, or if the ENTITY cancels or non-renews this policy, and provided there are no outstanding premiums due hereunder, the INSUREDS shall have the right within thirty (30) days of the effective date of cancellation or expiry of this policy and upon payment of a premium calculated as a percentage (see below) of the “full annual premium,” to an extension of the cover granted by this policy for CLAIMS made against the INSUREDS during the period indicated below, but only with respect to any WRONGFUL ACT occurring prior to the date of such cancellation or expiry.

As used herein, “full annual premium” means the premium level in effect immediately prior to the effective date of cancellation or expiry.

Premium Calculation:

1. If the INSURER refuses to renew:
 - (a) One Year Option:
 - (i) 50% if purchased following the initial policy issued by the INSURER; or
 - (ii) 20% if purchased following the second or subsequent consecutive policy issued by the INSURER;
 - (b) Six Year Option: maximum 200%.
2. If the ENTITY cancels or non-renews:
 - (a) One Year Option: 75%;
 - (b) Six Year Option: maximum 200%.

If the Discovery Period extension is purchased, the entire premium shall be deemed earned at its commencement without any obligation by the INSURER to return any part thereof and it shall not in any way increase the limit of liability set forth in the Declarations.

The acceptance by the INSUREDS of the INSURER’S offer of a new policy relieves the INSURER of any obligation it may have had to provide Discovery Period coverage under this policy.

B. Spousal/Co-defendant Clause

Coverage as afforded by this policy shall apply to the spouse (including a domestic partner) of an INSURED PERSON, provided:

1. such spouse is named as a co-defendant in a CLAIM against an INSURED PERSON;
2. such spouse is so named solely by reason of:
 - (a) his/her status as the spouse of an INSURED PERSON; or
 - (b) his/her ownership interest in property that the claimant seeks as recovery in such CLAIM;
3. it is not alleged in the CLAIM that the spouse is liable to the claimant for any reasons other than those contemplated above; and

4. coverage is provided by this policy to the INSURED PERSON for the CLAIM.

C. Side A Excess

Notwithstanding Section V of this policy, the INSURER shall pay additional LOSS up to a maximum of \$1,000,000 each POLICY PERIOD on behalf of the INSURED PERSONS for LOSS that they may become legally obligated to pay as a result of a CLAIM for a D&O WRONGFUL ACT under Insuring Agreement A.

This LOSS shall be specifically excess of the limit of liability stated in the Declarations and any insurance that is specifically stated to be excess of this policy. Such excess insurance must be completely exhausted before the INSURER shall have any obligation to make any payment under this extension.

D. Derivative Investigative Costs

The INSURER shall pay, on behalf of the ENTITY, INVESTIGATIVE COSTS that the INSURED PERSONS may become legally obligated to pay, up to a maximum of \$250,000 per POLICY PERIOD. This amount shall be included in the aggregate limit of liability as stated in the Declarations.

Section IV – Exclusions

This insurance does not apply to:

A. Bodily Injury or Property Damage

CLAIMS for bodily injury, sickness, mental anguish, disease or death of any person, or damage to or destruction of any tangible property, including loss of use thereof or injury resulting from false arrest, detention, imprisonment, wrongful entry or eviction.

However, this exclusion shall not apply to:

1. DEFENCE COSTS arising from a CLAIM pursuant to section 217.1 of the Criminal Code of Canada (as amended by Bill C-45);
2. DEFENCE COSTS arising from a CLAIM pursuant to Bill 168, the Ontario Occupational Health and Safety Act, or any equivalent provincial legislation;
3. allegations of mental anguish in a CLAIM for an EPL WRONGFUL ACT.

B. Pollution

CLAIMS arising out of or attributable to the actual, alleged or threatened discharge, dispersal, release or escape of POLLUTANTS into or upon real or personal property, the atmosphere or water, whether such discharge, dispersal, release or escape is intentional or accidental, or resulting from any direction or request to test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize POLLUTANTS. However, this exclusion shall not apply to:

1. allegations of retaliatory treatment in a CLAIM for an EPL WRONGFUL ACT;
2. LOSS arising from any CLAIM made directly or derivatively by a security holder of the ENTITY in his/her right as such provided that such CLAIM is brought totally without the solicitation, assistance, participation or intervention of any INSURED PERSON or the ENTITY; or
3. LOSS arising from a non-security holder CLAIM to the extent it is covered under Insuring Agreement A of Section I.

LOSS shall not include costs associated with the monitoring, cleanup, removal, containment, treatment, detoxification or neutralization of POLLUTANTS.

C. Nuclear

CLAIMS based upon, arising out of, directly or indirectly resulting from or in consequence of:

1. ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
2. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

D. Breach of Contract

CLAIMS for an actual or alleged breach of contract except that this exclusion does not apply to:

1. any allegations of tortious conduct arising out of or attributable to an actual or alleged breach of contract; or
2. DEFENCE COSTS for CLAIMS arising from an EPL WRONGFUL ACT.

E. Prior Notification and Litigation

1. CLAIMS arising from any WRONGFUL ACT if notification has been given under any policy that has expired prior to or upon the inception of this policy, and if such prior policy affords coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such LOSS, in whole or in part, as a result of such notice.
2. CLAIMS arising out of or attributable to any pending or prior CLAIM for a WRONGFUL ACT as at the inception date of the ORIGINAL POLICY or derived from the same or essentially the same facts as alleged in such pending or prior CLAIM.

F. Conduct

CLAIMS arising out of or attributable to any:

1. fraudulent, dishonest or criminal act committed deliberately by any INSURED as determined by final non-appealable adjudication of the CLAIM; or
2. INSURED gaining any profit, remuneration or advantage to which such INSURED was not legally entitled as determined by final non-appealable adjudication of the CLAIM.

G. Entity vs. Insured

CLAIMS brought by or on behalf of the ENTITY. However, this exclusion shall not apply to:

1. CLAIMS made derivatively, provided such CLAIMS are brought totally without the solicitation, assistance, participation or intervention of any INSURED PERSONS or the ENTITY.

If any “whistleblower” protection of an applicable federal, provincial, local or foreign securities law affords protection to any INSURED PERSONS, such CLAIMS shall not be considered to be with the solicitation, assistance, participation or intervention of any INSURED PERSONS or the ENTITY;
2. CLAIMS brought by a liquidator, receiver, creditors committee, trustee in bankruptcy, administrator, monitor, examiner or rehabilitator; or
3. DEFENCE COSTS arising from a CLAIM made against an INSURED PERSON to the extent it is covered under Insuring Agreement A of Section I.

H. Initial Public Offering

CLAIMS arising out of or attributable to any initial public offering of securities of the ENTITY. However, this exclusion shall not apply to:

1. CLAIMS arising out of or attributable to the planning or marketing of any initial public offering prior to the date of such initial public offering; or
2. CLAIMS arising out of or attributable to any initial public offering of securities of the ENTITY if the INSURER is notified in writing of the initial public offering thirty (30) days prior to its effective date and agrees to provide coverage for CLAIMS arising from such initial public offering and the ENTITY accepts any special terms, conditions, exclusions or additional premium charge required by the INSURER.

I. Disbursements/Dividends

Solely with respect to the ENTITY, this insurance does not apply to DAMAGES that constitute an amount attributable to:

1. the actual or proposed payment by the ENTITY of an allegedly inadequate or excessive price or consideration for the purchase of securities issued by the ENTITY; or
2. any dividends or other distributions of corporate profits of the ENTITY to any security holder of the ENTITY.

J. Other Insurance

CLAIMS covered under another valid and collectible insurance policy. Any coverage provided by this policy shall be specifically excess of and shall not act in contribution with such other insurance policy.

Section V – Computation of Amounts Payable

- A. The INSURER will pay LOSS in excess of the deductible stated in the Declarations up to the limit of liability except that DEFENCE COSTS shall be paid over and above the limit of liability provided the said limit of liability has not been exhausted by the payment of DAMAGES. However:
1. **First Dollar Defence**
For CLAIMS, other than CLAIMS for an EPL WRONGFUL ACT, payable under this policy and that are first brought within the territorial limits and jurisdiction of Canada, the deductible shall apply to DAMAGES but not to DEFENCE COSTS; and
 2. **Split Damage Deductible**
For CLAIMS where the deductible applies to DAMAGES, the INSURER and the INSURED shall contribute equally towards DAMAGES until the INSURED has paid the amount of the deductible stated in the Declarations.
- B. All CLAIMS arising out of the same WRONGFUL ACT and all INTERRELATED WRONGFUL ACTS shall be deemed to be one CLAIM, and such CLAIM shall be deemed to have originated in the earliest POLICY PERIOD in which a CLAIM is first made against any INSURED alleging any such WRONGFUL ACT or INTERRELATED WRONGFUL ACTS.
- C. If a CLAIM triggers more than one (1) deductible amount, the highest of such deductible amounts shall be deemed the deductible amount applicable to LOSS arising from such CLAIM.
- D. The fact that this policy may be extended by virtue of the exercise of the Discovery Period shall not in any way increase the limit of liability set forth in the Declarations.

Section VI – Notice of Claim

- A. The INSUREDS shall, as soon as practicable after the chief executive officer, chief financial officer, general counsel, risk manager or equivalent first becomes aware of the CLAIM, provide written notice to VICTOR at the address indicated in the Declarations but in no event later than ninety (90) days following the expiration date of the POLICY PERIOD. This ninety (90) day extended reporting period will only apply if no replacement coverage is obtained during such ninety (90) day period.
- Notwithstanding the aforementioned, any late notice or absence of notice is cause of forfeiture of the rights of the INSUREDS, if the INSURER sustains injury therefrom.
- B. If during the POLICY PERIOD or the Discovery Period the INSUREDS become aware of a WRONGFUL ACT that could reasonably give rise to a CLAIM, and the INSUREDS deliver written notice thereof to VICTOR prior to the date of expiry of the policy, any CLAIM arising out of such reported WRONGFUL ACT shall be treated as a CLAIM made during the POLICY PERIOD in which such written notice was delivered. The written notice shall include:
1. the names of the potential claimants and a description of the specific WRONGFUL ACT that forms the basis of their potential CLAIM;
 2. the consequences that have resulted or may result from such specific WRONGFUL ACT;
 3. the nature of the potential damages arising from such specific WRONGFUL ACT; and
 4. the circumstances by which the INSUREDS first became aware of the specific WRONGFUL ACT.
- C. If the effective date of termination of the policy is a Saturday, Sunday or Statutory Holiday, any CLAIM reported to VICTOR on the business day immediately following the termination date will be deemed to have been reported within the POLICY PERIOD or the Discovery Period.

Section VII – Defence and Settlement

The INSURER has a duty and right to defend any CLAIM made against the INSUREDS for which coverage is provided under this policy, except that:

1. where such CLAIM is for an ODL WRONGFUL ACT; or
2. where such CLAIM is first brought outside of Canada or the United States;

it shall be the duty of the INSURED, and not the INSURER, to defend the CLAIM.

Where it is the duty of the INSURED to defend, the INSUREDS shall not select defence counsel without the INSURER'S written consent, which shall not be unreasonably withheld. The INSURER shall have the right and shall be given the opportunity to effectively associate with the INSUREDS in the investigation, defence and settlement of any CLAIM for which coverage is provided under this policy. DEFENCE COSTS shall be paid, excess of any applicable deductible, on a current basis.

In no event shall the INSURED incur any DEFENCE COSTS, settle or offer to settle any CLAIM, assume any contractual obligation or admit any liability without the INSURER'S written consent, which shall not be unreasonably withheld. The INSURER shall not settle any CLAIM without the written consent of the INSUREDS involved in the CLAIM.

The INSURER'S obligation to defend or continue to defend any CLAIM ends once the available limit of liability is exhausted.

Section VIII – General Conditions

A. Authorized Agent of the Insureds

In consideration of the issuance of this policy, the INSUREDS agree that the ENTITY is hereby appointed and authorized to act as agent on behalf of the INSUREDS with respect to all matters of any nature or kind relating to or affecting this policy.

B. Co-operation

The INSUREDS shall give the INSURER such information and co-operation as it may reasonably require and as shall be in the power of the INSUREDS to provide for the purpose of the investigation, defence and/or settlement of any CLAIM for which coverage is provided under this policy.

The failure of any INSURED PERSON to provide such information and co-operation shall not impair the rights of any other INSURED PERSON under this policy.

C. Non-renewal

If the INSURED submits a completed renewal application and the INSURER decides not to offer any renewal terms for this policy, the INSURER shall provide written notice to the INSURED'S broker and the POLICY PERIOD will be extended, if necessary, to ensure that the policy expiration date is at least sixty (60) days subsequent to the date of such notice of non-renewal. If an extension of the POLICY PERIOD is required, the additional premium shall be computed on a pro rata basis.

D. Cancellation

This policy may be cancelled by the INSUREDS by delivering written notice by mail, by facsimile or by hand to VICTOR stating when thereafter such cancellation shall be effective. This policy may be cancelled by VICTOR because of non-payment of premium by said delivery of written notice of cancellation to the INSURED at the address shown in the Declarations stating when, not less than fifteen (15) days thereafter, such cancellation shall be effective. The delivery of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD.

Unearned premium shall be computed on a pro rata basis. The INSURER'S cheque delivered as aforesaid shall be a sufficient tender of any refund of premium due hereunder. Payment or tender of any unearned premium by the INSURER shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

E. Allocation of Loss

If a CLAIM includes covered and uncovered allegations:

1. the INSURER shall pay one hundred per cent (100%) of DEFENCE COSTS incurred on account of such CLAIM made against the INSUREDS;
2. the payment of DAMAGES by the INSURER shall be based on the relative legal exposure of the INSUREDS to covered and uncovered allegations, which shall be determined upon settlement or final adjudication of the CLAIM.

In the event that the INSURED and INSURER cannot otherwise agree on the allocation of DAMAGES, the issue of allocation shall be submitted to binding arbitration pursuant to the Arbitration Act of the Canadian province or territory in which the policy was issued. In the absence of such provincial or territorial legislation, the Arbitration Act of Ontario shall govern the arbitration. The arbitration panel shall consist of one arbitrator appointed by the INSURED, one arbitrator

appointed by the INSURER and a third independent arbitrator selected by the INSURED and INSURER'S appointees. The fees and disbursements of the arbitrators shall be shared equally by the INSURED and INSURER, who shall otherwise bear their own costs of the arbitration.

F. Order of Payments

If a CLAIM includes allegations against the INSURED PERSONS and the ENTITY, and if it is determined that the potential LOSS payable exceeds the remaining limit of liability available under the policy, the ENTITY may elect in writing through its chief executive officer (or equivalent executive position) to:

1. have the INSURER first pay LOSS attributable to the INSURED PERSONS; and
2. decline or defer payment of LOSS attributable to the ENTITY.

If this election is made, the ENTITY shall be responsible for the initial payment of any deferred LOSS. The INSURER shall have no obligation to pay LOSS after exhaustion of the limit of liability regardless of whether the ENTITY has declined or deferred payment.

The financial impairment of the ENTITY shall not relieve the INSURER of any of its obligations to prioritize payment of covered LOSS, pursuant to this clause.

G. Change in Control

In the event of a CONTROL CHANGE, coverage under this policy shall continue until its expiry, but only with respect to CLAIMS for WRONGFUL ACTS occurring prior to the effective date of the CONTROL CHANGE, unless VICTOR is notified in writing of the CONTROL CHANGE prior to its effective date, VICTOR agrees in writing to provide coverage for WRONGFUL ACTS occurring on or after such effective date, and the ENTITY accepts any special terms, conditions, exclusions or additional premium charge required by the INSURER.

H. Action Against Insurer

No action shall be taken against the INSURER unless, as a condition precedent thereto, the INSUREDS shall have been in full compliance with all the terms of this policy.

I. Subrogation

In the event of any payment under this policy, the INSURER shall be subrogated to the extent of such payment to all the rights of recovery of the INSUREDS, and the INSUREDS shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the INSURER effectively to bring suit in the name of the INSUREDS or the ENTITY.

The INSURER shall not exercise its right of subrogation against an INSURED unless the Conduct Exclusion applies to such INSURED.

J. Severability of Exclusions

The WRONGFUL ACT of any INSURED PERSON shall not be imputed to any other INSURED for purposes of determining the applicability of the exclusions in Section IV, except that for Insuring Agreement C, the WRONGFUL ACT of any past, present or future chief executive officer or chief financial officer shall be imputed to the ENTITY.

K. Severability, Application and Representations

Subject to all of its terms and conditions, this policy shall apply to each INSURED in the same manner and to the same extent as if a separate policy had been issued to each. With respect to the declarations, statements and representations contained in the application for coverage, the knowledge of any INSURED PERSON shall not be imputed to any other INSURED, except that the knowledge of the chief executive officer or chief financial officer shall be imputed to the ENTITY.

In granting coverage under this policy, the INSURER has relied upon the declarations, statements and representations contained in the application for this policy (including materials submitted therewith, any public documents filed by the ENTITY during the twelve (12) month period immediately preceding the inception of the POLICY PERIOD, and in the case of a renewal application, all such previous policy applications for which this policy is a renewal) as being accurate and complete.

If the declarations, statements and representations in the application were not accurate and complete and materially affected the acceptance of the risk by the INSURER, then there shall be no coverage for:

1. LOSS under Insuring Agreement A or B with respect to any INSURED PERSON who had knowledge, as of the effective date of the POLICY PERIOD, of facts that were not accurately and completely disclosed, whether or not the INSURED PERSON knew the application contained such facts; or
2. LOSS under Insuring Agreement C with respect to the ENTITY if any INSURED PERSON who is or was a chief executive officer or chief financial officer of the ENTITY had knowledge, as of the initial date of the POLICY PERIOD, of the facts that were not accurately and completely disclosed, whether or not the INSURED PERSON knew the application contained such facts.

The INSURER shall not rescind this policy.

L. Territory

Except as otherwise stated, coverage shall apply worldwide.

M. Currency

Except as otherwise stated, all amounts under this policy are expressed and payable in the currency of Canada.

N. Headings

The headings to the provisions in this policy, including those found in any endorsements attached hereto, are provided solely for convenience, and form no part of the terms and conditions of coverage.

O. Interpretation

This policy shall be interpreted and construed in accordance with the laws of the Canadian province in which the policy was issued.

P. Conformity to Statute

The terms of this policy that are in conflict with the terms of any applicable laws construing this policy, including the Quebec Civil Code, are hereby amended to conform to such laws.

Q. Declarations

In consideration of the payment of the premium, and in reliance upon the statements made in the application for this insurance, which is made a part hereof and subject to all of the terms and conditions of this policy, the INSURER has caused this policy to be executed on the Declarations.



Victor Canada
500-1400 Blair Towers Place
Ottawa, Ontario K1J 9B8
Telephone 613-786-2000
Facsimile 613-786-2001
Toll Free 800-267-6684
www.victorinsurance.ca

Endorsement

Endorsement No.: 0001
Standard Form: DOPV550
Attached to and forming part
of Policy Number: PV-560840

Prior Acts Exclusion

It is agreed that this policy does not apply to CLAIMS arising out of or attributable to a WRONGFUL ACT committed or alleged to have been committed by any INSURED on or before 04 November 2020.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Ottawa, Ontario K1J 9B8
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Facsimile 613-786-2001
Toll Free 800-267-6684
www.victorinsurance.ca

Endorsement

Endorsement No.: 0002
Standard Form: DOPV590
Attached to and forming part
of Policy Number: PV-560840

Wage and Hour Claim Coverage (\$250,000 Defence
Sublimit in Canada)

It is agreed that this policy does not apply to CLAIMS arising out of or attributable to a WAGE AND HOUR VIOLATION. However, this exclusion shall not apply to DEFENCE COSTS arising from such CLAIMS that are first brought in Canada.

Notwithstanding Item A of Section V - Computations of Amounts Payable, the limit of liability of the INSURER under this endorsement shall be \$250,000 per POLICY PERIOD, which amount shall be included in the aggregate limit of liability as stated in the Declarations.

For the purpose of this endorsement, WAGE AND HOUR VIOLATION means any actual or alleged violation of the Fair Labor Standards Act (except the Equal Pay Act) or similar provisions of any federal, provincial, territorial, state or local law or regulation governing the payment of wages (including but not limited to the payment of overtime, on-call time, rest periods and minimum wages) or the classification of employees for the purpose of determining employee's eligibility for compensation or other benefits.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Endorsement

Endorsement No.: 0003
Standard Form: DOPV560
Attached to and forming part
of Policy Number: PV-560840

Majority Shareholder Claim Exclusion

It is agreed that this policy does not apply to CLAIMS initiated or instituted by or on behalf of any shareholder owning greater than or equal to ten per cent (10%) of any class of shares of the ENTITY.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Ottawa, Ontario K1J 9B8
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Facsimile 613-786-2001
Toll Free 800-267-6684
www.victorinsurance.ca

Endorsement

Endorsement No.: 0004
Standard Form: DOPV685
Attached to and forming part
of Policy Number: PV-560840

Public Relations Management Costs (\$50,000)

The INSURER agrees to reimburse the ENTITY for PUBLIC RELATIONS MANAGEMENT COSTS paid by the ENTITY as a result of an ADVERSE EVENT.

Definitions Specific to This Endorsement

- A. ADVERSE EVENT means any of the following events first occurring and reported during the POLICY PERIOD:
1. the unanticipated death, incapacity or resignation of any executive officer;
 2. an unanticipated financial loss incurred by the ENTITY due to a catastrophic event;
 3. the seeking of protection by the ENTITY under the Companies' Creditors Arrangement Act; or
 4. the bankruptcy of the ENTITY;
- which results in the public communication of unfavourable information regarding the INSUREDS and which could reasonably be considered to lessen public confidence in the ENTITY.
- B. PUBLIC RELATIONS MANAGEMENT COSTS means the reasonable fees, costs and expenses incurred and paid by the ENTITY, with the INSURER'S prior written consent, to a professional law firm or public relations firm for services provided to prevent and minimize business disruption and negative publicity with respect to an ADVERSE EVENT.

Sublimit and Deductible

Notwithstanding Item A of Section V - Computation of Amounts Payable, the limit of liability of the INSURER under this endorsement shall be \$50,000 per POLICY PERIOD, which amount shall be included in the aggregate limit of liability of the INSURER as stated in the Declarations. There shall be no deductible applicable to this amount.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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www.victorinsurance.ca

Endorsement

Endorsement No.: 0005
Standard Form: DOPV688
Attached to and forming part
of Policy Number: PV-560840

Workplace Violence Costs (\$250,000)

The INSURER agrees to reimburse the ENTITY for WORKPLACE VIOLENCE COSTS paid by the ENTITY resulting from any WORKPLACE VIOLENCE.

Definitions Specific to This Endorsement

- A. PREMISES means the buildings, facilities or properties occupied by the ENTITY.
- B. WORKPLACE VIOLENCE means an intentional and unlawful:
1. act of deadly force with a lethal weapon; or
 2. threat of deadly force with the display of a lethal weapon;
- which occurs on or in the PREMISES and which did or could reasonably result in bodily injury or death to an INSURED PERSON.
- C. WORKPLACE VIOLENCE COSTS means the reasonable fees, costs and expenses incurred and paid by the ENTITY for:
1. services of an independent security consultant or an independent public relations consultant for ninety (90) days following a WORKPLACE VIOLENCE event;
 2. counselling seminars for employees conducted by an independent consultant following a WORKPLACE VIOLENCE event;
 3. security guard services for up to thirty (30) days following a WORKPLACE VIOLENCE event;
 4. services of an independent forensic analyst; and
 5. other reasonable services expenses incurred and paid by the ENTITY, with the prior written approval of the INSURER.

Sublimit and Deductible

Notwithstanding Item A of Section V - Computation of Amounts Payable, the limit of liability of the INSURER under this endorsement shall be \$250,000 per POLICY PERIOD, which amount shall be included in the aggregate limit of liability of the INSURER as stated in the Declarations. There shall be no deductible

applicable to this amount.

Except as otherwise provided by this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.



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Endorsement

Endorsement No.: 0006
Standard Form: DOPV767C
Attached to and forming part
of Policy Number: PV-560840

EPL Deductible Amendment

It is agreed that, solely with respect to an EPL WRONGFUL ACT, Item 5 of the Declarations is amended to read as follows:

- | | | |
|----------------|----------|--|
| 5. Deductible: | \$10,000 | each CLAIM first brought within the territorial limits and jurisdiction of Canada |
| | \$25,000 | each CLAIM first brought outside the territorial limits and jurisdiction of Canada |

It is further agreed that no deductible applies to LOSS arising from a CLAIM brought solely against an INSURED PERSON where the ENTITY does not indemnify them.

Except as otherwise provided in this endorsement, all terms, provisions and conditions of this policy shall have full force and effect.

Adam Fowler
Lloyd Sadd Insurance Brokers Ltd.
Suite 700, 10240 – 124 Street
Edmonton, T5N 3W6
Canada

Evidence of Cover

Insured: MANTLE MATERIALS GROUP LTD.
Type: Energy Liability Insurance.
Policy Number: B0831EN0022620

24 October 2020

Please find attached evidence of cover that has been placed with (re)insurers in accordance with your instructions. Standard registered market clauses may be referred to within the contract documentation but not attached to the contract. If you require a copy of any clause(s) referred to, these will be provided upon request.

Please review the attached documentation carefully to confirm that it accurately reflects the cover, limits and terms that you instructed us to place, If you have any questions about the contract described or if any of the terms and conditions are unclear or do not meet your requirements, or if any of the details are incorrect you must advise us immediately.

Warranties/Subjectivities/Conditions Precedent

(Re)insurers may have imposed specific and possibly restrictive terms on your contract that need to be strictly complied with.

In particular, please note those terms contained under the Express Warranties, Conditions Precedent and Subjectivities headings on the attached document. These have been expressly added by underwriters in addition to or possibly instead of other warranties conditions precedent and onerous terms included in the contract. Please be advised that warranties and conditions precedent may be included but may not be necessarily labelled as such. Please make sure you understand all such terms fully and are able to comply with their requirements exactly. Failure to comply with warranties and/or conditions precedent and/or subjectivities may lead to cancellation of cover and/or denial of claims.

If you are in any doubt as to compliance with any such terms, please contact us immediately

Premium Payment Terms

Your attention is drawn to the premium payment terms in the contract. It is important that these terms are complied with in order to avoid the risk of your cover being cancelled for failure to pay on time. Premium Payment will need to be made to us no later than **30 November 2020** in order that we can pay (re)insurers by the required date. Where further instalments are due the premium payment dates can be determined from the debit notes that we send you.

If you have any questions about your obligations in this respect, please advise us immediately.

Bishopsgate Insurance Brokers Limited Contact

Peter Burton
Managing Director – Energy
Peter.burton@bishopsgateinsurance.co.uk
+44 (0)20 3984 4294

Notification of Claims

Claims must be advised to your usual contact(s), as may be detailed herein, at Bishopsgate Insurance Brokers Ltd., which cannot be held liable for its lack of action regarding a claim notified to an email address which does not specify an individual representative of Bishopsgate Insurance Brokers, Ltd.

Please note any special obligations for reporting and handling claims in the contract. It is important that these are complied with in order not to prejudice cover. It is essential that all actual, threatened or potential claims are immediately notified to us or the party identified in the contract so that (re)insurers can be advised promptly. Failure to comply may mean that a claim will not be paid.

Duty of Disclosure

For insureds whose insurance contract is not governed by UK law, the insured must disclose to insurers all material facts concerning the subject of this insurance.

A matter or circumstance is a "Material Fact" if it would influence a prudent insurer's acceptance or assessment of the risk, the insured's proposal for insurance, or the terms of any insurance offered (including the premium charged).

If there is any doubt as to whether or not an item of information is material, it should be disclosed. However, individual insurance contract terms may stipulate stricter requirements.

This duty applies before cover is placed, throughout the policy period, and at any subsequent renewal. The duty also applies to the claims process and to any extensions or amendment to the contract.

Failure to disclose a material fact may prejudice the cover and any claims under it may not be paid.

Other Information

Please notify us promptly if you require any amendments to the cover under this contract. Amendments will be provided to you as an endorsement to this document, subject to agreement by your (re)insurers where required.

RISK DETAILS

*THIS CONTRACT
HAS BEEN PLACED
ELECTRONICALLY
VIA PPL*

UNIQUE MARKET REFERENCE :

B0831EN0022620

ATTACHING TO LINESLIP REFERENCE:

Declaration Number 13 to Lloyd Sadd 2020 Canadian Liability Lineslip (UMR:B0831P048412020).

TYPE :

Energy Liability Insurance.

INSURED :

MANTLE MATERIALS GROUP LTD.

and/or their parent and/or subsidiary and/or associated and/or affiliated and/or controlled companies as their respective rights and interests may appear as now existing or as hereafter created and any other organisation under the Insured's control, of which it assumes active management or where the Insured has a legal and/or contractual responsibility to insure. Including principals, officers, directors, stockholders and employees of the Insured whilst acting in their capacity as such.

Address: 9046 22 Avenue SW,
Edmonton, AB T6X 1Z6

PERIOD :

From: 16th October 2020
To: 16th October 2021

Both days at 00.01 hours Local Standard Time at the address of the Named Insured.



INTEREST :

Liabilities arising out of the operations of the Insured.

LIMIT(S) OF LIABILITY (100% unless otherwise stated) :

CAD 5,000,000	Each Occurrence.
CAD 5,000,000	Personal & Advertising Injury Limit. Any One Person or Organisation (included within General Aggregate).
CAD 2,000,000	Sudden and Accidental Pollution Liability
CAD 2,000,000	Products & Completed Operations Aggregate Limit.
CAD 10,000	Medical Payments Each Person.
CAD 50,000	Medical Payments Per Accident.
CAD 2,000,000	Tenants Legal Liability.
CAD 1,000,000	Employee Benefits Liability Per Claim.
CAD 1,000,000	Employers Liability.
CAD 2,000,000	Non-Owned Automobile Liability S.P.F. No. 6
CAD 3,000,000	Excess Automobile S.P.F. No. 7
CAD 50,000	in respect of legal Liability for Damage to Hired Vehicles S.E.F. No. 94
CAD 1,000,000	Forest Fire Fighting Expenses
CAD 5,000,000	General Aggregate Limit.

Mantle Materials Group Ltd.
UMR: B0831EN0022620

Author	Checker
 J. Ward	 P. Burton

Date: 19 October 2020

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MARKET REFORM CONTRACT

DEDUCTIBLE(S)/EXCESS (100% unless otherwise stated):	CAD	10,000	Each Occurrence including all Allocated Loss adjustment Expenses, but;
	CAD	5,000	Each Occurrence in respect of Sudden and Accidental Pollution.
	CAD	1,000	Each Occurrence in respect of Employee Benefit Liability
	CAD	5,000	Each Occurrence in respect Forest Fire Fighting Expense
	CAD	2,500	Each Occurrence in respect of Tenants Legal Liability
	CAD	1,000	Each Occurrence in respect of legal Liability for Damage to Hired Vehicles S.E.F. No. 94
	CAD	2,000,000	Excess Automobile S.P.F. No. 7

SITUATION : Worldwide (Non-EEA).



CONDITIONS : Form all as per PIC1201706 as attached, plus endorsements attached hereto including but not limited to:
 SPF 6 – Standard Non-Owned Automobile Endorsement, as attached.
 S.E.F. 94 – Legal Liability for Damage to Hired Automobiles Endorsement, as attached.
 S.E.F. No. 96 – Contractual Liability Endorsement, as attached.
 S.E.F. No. 99 – Excluding Long Term Leased Vehicle Endorsement, as attached
 S.P.F. No.7 - Excess Automobile, as attached.
 Fire Fighting Expense Liability Endorsement, as attached.
 Medical Payments, as attached
 Blanket Additional Insured Endorsement, as attached.
 United States of America Jurisdiction Clause, as attached.
 Asbestos Exclusion Endorsement, as attached.
 Excluding USA absolutely.

Additional Endorsements and Clauses to apply:
 Exclusion – US Operations or Sales, as attached.
 Sanction Limitation and Exclusion Clause LMA 3100, as attached.
 Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical, Electromagnetic Weapons Exclusion Clause 10/11/03 CL370 (10.11.03).
 Institute Cyber Attack Exclusion Clause CL380 (10.11.03).
 War and Terrorism Exclusion Clause, NMA 2918, as attached.
 War and Civil War Exclusion Clause NMA 464, as attached.
 Special Termination Clause (LMA 5001) (amended), as attached.
 LMA 5180 Intention for AIF to Bind Clause.
 Coronavirus Exclusion LMA 5395, as attached.
 (Re)Insurers Liability Clause LMA 3333, as attached.

NOTICES: None.

EXPRESS WARRANTIES: None, other than as may exist in this document.

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CONDITIONS

PRECEDENT: None, other than as may exist in this document.

SUBJECTIVITIES: None, other than as may exist in this document.

**CHOICE OF LAW &
JURISDICTION:**

Any dispute between the Insured and Insurers relating to this Policy or to a claim (including but not limited thereto, the interpretation of any provision of the Policy hereon shall be governed by the law and practice of Canada.

Each party agrees to submit to the exclusive jurisdiction Alberta.

Subject to Service of Suit Clause (Canada) LMA 5028, as attached.

Any provision in any form specified in the Conditions which provides for any law and/or practice other than that stated in this Choice of Law and Jurisdiction is deemed deleted.

PREMIUM: CAD 15,000 Per annum and pro-rata.

**PREMIUM PAYMENT
TERMS:**

Premium Payment Clause LSW 3001 (60/15 days).

**TAXES PAYABLE BY
INSURED AND
ADMINISTERED BY
INSURERS:**

None.

**RECORDING,
TRANSMITTING AND
STORING
INFORMATION:**

Bishopsgate Insurance Brokers Limited may maintain all files electronically.



**INSURER
CONTRACT
DOCUMENTATION:**

This document details the contract terms entered into with (re)insurer(s) and constitutes the contract documentation.

Any further documentation changing this contract, agreed in accordance with the contract change provisions set out in this contract, shall form the evidence of such change.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines broker.

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CLAUSES

SERVICE OF SUIT CLAUSE (CANADA)

(Action against Insurer)

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155, rue Metcalfe, Suite 1540, Montreal, Quebec, H3B 2V6.

LMA5028

10/08/06

PREMIUM PAYMENT CLAUSE

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non-payment of premium only the following clause will apply.

The (Re)Insured undertakes that premium will be paid in full to (Re)Insurers within 60 days of inception of this contract (or, in respect of instalment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by the 61st day from the inception of this contract (and, in respect of instalment premiums, by the date they are due) (Re)Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or Occurrence prior to the date of termination which gives rise to a valid claim under this contract.



It is agreed that (Re)Insurers shall give not less than 15 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

LSW3001

September 2008

Mantle Materials Group Ltd.
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ADDITIONAL ENDORSEMENTS AND CLAUSES

EXCLUSION – US OPERATIONS OR SALES

This endorsement modifies coverage provided by the policy form PICI201706.

The following exclusion is added to EXCLUSIONS

This insurance does not apply to "personal injury" or "property damage" arising out of your work in or sales of your product to the United States of America, its territories or possessions.

All other terms, clauses, conditions and exclusions of this policy remain unchanged.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA3100
15 September 2010

All other terms, clauses, conditions and exclusions of this policy remain unchanged.



INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
 - 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

10/11/2003
CL.370

Mantle Materials Group Ltd.
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MARKET REFORM CONTRACT

All other terms, clauses, conditions and exclusions of this policy remain unchanged.

INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

10/11/03
CL380

All other terms, clauses, conditions and exclusions of this policy remain unchanged.

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.



If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918
08/10/2001

All other terms, clauses, conditions and exclusions of this policy remain unchanged.

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WAR AND CIVIL WAR EXCLUSION CLAUSE



(Approved by Lloyd's Underwriters' Non-Marine Association)

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

1/1/38
NMA464

All other terms, clauses, conditions and exclusions of this policy remain unchanged.

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SPECIAL TERMINATION CLAUSE

The insured may terminate this insurance agreement in respect of any insurer's participation at any time by giving notice in writing through Bishopsgate Insurance Brokers Limited to the insurer in the event that any one of the following circumstances has occurred since the inception date of this insurance agreement (or, in the case of a continuous contract, the immediately preceding anniversary date):

- (a) A state insurance department or similar regulatory authority outside the USA has ordered the insurer to cease accepting business; or
- (b) The insurer has become insolvent or has been placed into liquidation or receiverships (whether voluntary or involuntary), or there has been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, or trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control its operations; or
- (c) The insurer's policyholders' surplus (or total stamp capacity by managing agent in respect of Lloyd's syndicates) has been reduced by 50% of the amount at which it stood at the inception of this insurance agreement (or, in the case of a continuous contract, the immediately preceding anniversary date): or
- (d) The insurer has merged with, been acquired by, or relinquished control of itself to any other company, corporation or individual(s): or
- (e) The insurer's AM Best rating has been assigned or downgraded below A-; or
- (f) The insurer's Standard and Poor's rating has been assigned or downgraded below A.



In the event of such termination the liability of the insurer shall cease upon receipt of notice from the insured (except in respect of losses which may have occurred or commenced prior to such date of termination but for which settlement remains outstanding) and the insurer shall receive premium pro rata as to time of the full premium.

However, if losses have occurred between the inception date of this insurance agreement (or, in the case of a continuous contract, the anniversary date immediately preceding termination) and the date of termination which exceed pro rata as to time of the full premium, then the insurer shall receive premium equal to the losses or the full premium, whichever is lesser.

For the purpose of this clause full premium shall mean the full adjusted premium that would have been earned by the insurer for the period of this insurance agreement had it not been terminated, taking into account any minimum premium condition and including any reinstatement premium in respect of losses occurring prior to the date of termination.

14/07/04
LMA5001 (Amended)

Mantle Materials Group Ltd.
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INTENTION FOR AIF TO BIND CLAUSE

Whereas Lloyd's Underwriters have been granted an order to insure in Canada risks under the Insurance companies Act (Canada) and are registered in all provinces and territories in Canada to carry on insurance business under the laws of these jurisdictions or to transact insurance in these jurisdictions.



And whereas applicants for insurance coverage in respect of risks located in Canada and Canadian Cedants wish that Lloyd's insurance and reinsurance coverage be provided in a manner that requires Lloyd's Underwriters to vest assets in trust in respect of their risks pursuant to the Insurance Companies Act (Canada);

- a) This contract shall be in force and shall be the governing contract pending the decision by Lloyd's Underwriters' attorney and chief agent in Canada (the "AIF") to confirm coverage in accordance with both the terms and conditions set out in this contract and applicable Canadian law;
- b) The AIF shall confirm Lloyd's Underwriters' coverage by signing in Canada a policy that will contain the terms and conditions set out in this contract (the "Canadian Policy"), and by communicating from Canada the issuance of that policy to the policyholder or his broker;
- c) This contract shall cease to have effect upon the communication by the AIF from Canada of the Canadian Policy to the policyholder or his broker, and the Canadian Policy will replace and supersede this contract.

LMA5180
01 November 2011

All other terms, clauses, conditions and exclusions of this policy remain unchanged.

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CORONAVIRUS EXCLUSION (for use on marine and energy liability policies)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.



This insurance excludes coverage for:

- 1) any loss, damage, liability, cost, or expense directly arising from the transmission or alleged transmission of:
 - a) Coronavirus disease (COVID-19);
 - b) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2); or
 - c) any mutation or variation of SARS-CoV-2;or from any fear or threat of a), b) or c) above;
- 2) any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a), b) or c) above;
- 3) any liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of any of a), b) or c) above or the fear or the threat thereof.

All other terms, conditions and limitations of the insurance remain the same.

LMA5395
09 April 2020

Mantle Materials Group Ltd.
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Date: 19 October 2020

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INFORMATION

Information, as applicable, made available to and seen by all subscribing insurers hereon and initialled by Contract Leader only, includes the following and as may be held on file in the offices of Bishopsgate Insurance Brokers Limited, but always available to insurers hereon.



Information provided by Lloyd Sadd Insurance Brokers via email dated 15th October 2020.

Mantle Materials Group Ltd – Commercial Insurance Submission, as attached (19 pages).
Mantle 20-21 Schedules – (8 pages).

By Stamping, signing and dating the subscription section of this Market Reform Contract, subscribing (re)insurers hereby acknowledge receipt of the above listed information in its entirety.

SECURITY DETAILS

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**(RE)INSURER'S
LIABILITY:**

**LMA 3333 – (RE)INSURER'S LIABILITY CLAUSE
(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportion underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to market services, Lloyd's at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its written line".



Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as reference to contracts in the plural.

ORDER HEREON:

100% of 100%

Mantle Materials Group Ltd.
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MARKET REFORM CONTRACT

BASIS OF WRITTEN

LINES: Percentage of whole.
Lines Clause NMA2419, if applicable.

SIGNING

PROVISIONS:

Proportionate signing:
In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers:

However:

- a) In the event that the placement of the order is not completed by the commencement date of the period of (re)insurance then all lines written by that date will be signed in full;
- b) the disproportionate signing of (re)insurer's lines can be effected without further specific agreement of (re)insurers, provided that any such variation is made prior to the commencement date of the period of (re)insurance, and that lines written "to stand" may not be varied without the documented agreement of those (re)insurers;
- c) The signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of (re)insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

LINE CONDITIONS:

None unless (re)insurers indicate otherwise hereon



MODE OF EXECUTION:

This contract and any changes to it may be executed by:

- a. electronic signature technology employing computer software and a digital signature or digitiser pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated;
- b. a unique authorisation provided via a secure electronic trading platform;
- c. a timed and dated authorisation provided via an electronic message/system;
- d. an exchange of facsimile/scanned copies showing the original written ink signature of paper documents;
- e. an original written ink signature of paper documents (or a true representation of a signature, such as a rubber stamp).

The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this contract. This contract may be executed in one or more of the above counterparts, each of which, when duly executed, shall be deemed an original.

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Mantle Materials Group Ltd.

PIC1201706 Form

Mantle Materials Group Ltd.
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Definitions

Applicable to all section(s):

1. Administration

Administration when used in the context of Employee Benefit Programs means the following, provided the same are authorized by the Named Insured:

- (A) the counselling of employees with respect to Employee Benefit Programs;
- (B) the interpretation of Employee Benefit Programs;
- (C) the keeping of records in connection with Employee Benefit Programs;
- (D) the enrolment, termination or cancellation of employees under the Employee Benefit Programs.

2. Advertising Liability Advertising Liability means:

- (A) libel, slander or defamation;
- (B) any infringement of copyright or of title or of slogan;
- (C) piracy or unfair competition or idea misappropriation under an implied contract;
- (D) any invasion of right of privacy;
committed or alleged to have been committed in any advertisement, publicity article, broadcast or telecast and arising out of the Insured's advertising activities.

3. Automobile

Automobile shall be defined as a land motor vehicle, trailer or semi-trailer or other vehicle which, if it were to be insured, would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery, apparatus or equipment.

4. Claim

Claim means that part of any written demand received by the Insured for damages covered by this Policy including the service of suit or instigation of arbitration proceedings.

5. Completed Operations Liability

Completed Operations Liability means liability arising out of operations, if the Occurrence occurs after such operations have been completed or abandoned and occurs away from premises owned, rented or controlled by the Insured; provided operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement. The following shall be deemed not to be operations within the meaning of this paragraph:

- (A) pick-up or delivery, except from or onto a railroad car;
- (B) the maintenance of vehicles owned or used by or on behalf of the Insured;
- (C) the existence of tools, uninstalled equipment and abandoned or unused materials.

6. Employee Benefits Liability

Employee Benefits Liability means all sums which the Insured shall become legally obligated to pay any employee or former employee or the heirs, beneficiaries or legal representatives of either as damages arising from any act of negligence, error, mistake or omission of the Insured or others for whom the Insured is legally responsible in the Administration of Employee Benefit Programs of the Insured.

7. Employee Benefits Programs

Employee Benefits Programs means, without limitation, group life insurance, group health insurance, group accident insurance, profit sharing plans, pension plans, employee stock subscription benefits, government unemployment compensation insurance, dental plans, optical plans, social insurance and disability benefits insurance and other similar plans.

8. Employer's Liability

Employer's Liability means all sums which the Insured shall be legally obligated to pay as damages on account of Personal Injury sustained by any employee of the Insured arising out of and in the course their employment. However, Employer's Liability shall not include any liability of the Insured under workers' compensation acts or similar legislation.

9. Fissionable Substance

Fissionable Substance means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

10. Incidental Medical Malpractice Liability

Incidental Medical Malpractice Liability means Personal Injury or Property Damage arising out of malpractice, error or mistake committed at or in connection with the Insured's premises or operations:

- (A) in the rendering of or failure to render any medical, first aid, surgical, dental, x-ray or nursing service, advice or treatment,
- (B) or the furnishing of food or beverages in connection therewith; the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

11. Insured

The unqualified word Insured includes:

- (A) the Named Insured and associated, affiliated or subsidiary companies or other entities predecessor thereto which may exist or be hereafter constituted;
- (B) Co-owners, Joint-Ventures, Partners having a non-operating interest, managers, contractors, sub-contractors, suppliers or any other parties with whom the Insured has entered into agreement and/or contract in connection with the interests covered by this Policy and for whom the Insured has agreed to provide insurance as provided by this Policy and coverage shall be limited to those operations in which there is a common interest.
- (C) any present or former officer, director, partner or employee of the Insured, while acting in his capacity as such;
- (D) any person, organization, partnership, firm, government, entity, trustee or estate to whom the Insured is obligated by virtue of a written contract or agreement to provide insurance such as is afforded by this Policy, but only to the extent of such obligation and in respect of operations by or on behalf of the Insured, or facilities of the Insured, or facilities used by the Insured;
- (E) with respect to any aircraft owned or leased by or hired for use on behalf of the Insured, any person while using such aircraft and any person or organization legally responsible for the use thereof, provided the actual use of the aircraft is with the permission of the Insured. The insurance extended by this sub-clause (E), with respect to any person or organization other than the Insured shall not apply:

1. to any manufacturer of aircraft, aircraft engines, or aviation accessories, or any aviation sales or service or repair
 2. organization or airport or hangar operator or their respective employees or agents with respect to any Occurrence arising out of any of the aforementioned:
 3. with respect to any hired aircraft, to the owner thereof or any employee of such owner;
 4. to any person or organization, or to any agent or employee thereof engaged in the operation of or engaged as a member of the air crew of any such aircraft.
- This sub-clause (E) shall not apply to restrict the insurance granted under sub-clause (D).
- (F) any contractor or sub-contractor working on behalf of the Insured, where the Insured is responsible for providing workers' compensation benefits, or where the Insured has agreed to provide insurance as is provided under this Policy;
- (G) all employee sports or social clubs of any insured, and members thereof while participating in the activities of such clubs.

12. Nuclear Energy Hazard

Nuclear Energy Hazard means the radioactive, toxic, explosive, or other hazardous properties of Radioactive Material.

13. Nuclear Facility

Nuclear Facility means:

- (A) any apparatus used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium, and uranium or any one or more of them;
- (B) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging waste;
- (C) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (D) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste Radioactive Material;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations;

14. Non-Owned Aircraft Liability

Non-owned Aircraft Liability means any Personal Injury or Property Damage for which the Insured is legally liable, caused by an aircraft that was not owned or leased by the Insured at the time of the Occurrence.

15. Non-Owned Watercraft Liability

Non-owned Watercraft Liability means any Personal Injury or Property Damage that the Insured is legally liable for caused by a watercraft that was not owned or leased by the Insured at the time of the Occurrence.

16. Occurrence

Occurrence means an accident or event including continuous or repeated exposure to conditions which cause, allegedly cause or are deemed to cause Personal Injury or Property Damage or gives rise to any liability not otherwise excluded, which Personal Injury, Property Damage or liability is neither expected nor intended by the Insured. For this purpose, such Personal Injury, Property Damage or liability shall not be deemed expected or intended by the Insured solely because the event or condition is caused by:

- (a) a fraudulent, dishonest or criminal act (not authorized by the Insured) of an officer, employee, representative, contractor or agent of the Insured or
- (b) an action committed by or on behalf of the Insured with the intent to safeguard or preserve life or property.

Where a series of or several losses, injuries, damages or liabilities occur which are attributable directly or indirectly to the same event, condition or cause, all such losses, injuries, damages or liabilities shall be treated as one Occurrence irrespective of the period or area over which the losses, injuries, damages or liabilities occur or the number of such losses, injuries, damages or liabilities and shall be deemed to have occurred at the time the first of the series of or several losses, injuries, damages or liabilities had occurred.

17. Personal Injury

Personal Injury means bodily injury (including death resulting from bodily injury), mental injury, mental anguish, shock, sickness, disease, disability (including death at any time resulting therefrom), false arrest, false imprisonment, wrongful entry or eviction, detention, malicious prosecution, harassment, discrimination, humiliation, libel, slander or defamation of character or invasion of rights of privacy including any other legal action alleging the foregoing by any other name.

18. Pollutant

Pollutant means any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance which may, does or is alleged to affect adversely the environment, property, persons or animals, including, but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals, oil and petroleum and their derivatives, and waste. Waste includes, without limitation, materials to be recycled, reconditioned, reclaimed, discarded or stored pending final disposal.

Discharge means discharge, dispersal, release, or escape of pollutant. A series of related discharges shall be deemed to constitute a single discharge commencing with the first discharge in the series.

Commenced and commencement in Exclusion 2.14 shall mean that specific, identified point in time at which the discharge of the Pollutant in question shall have first begun.

19. Pollution Liability

Pollution Liability means any Personal Injury, Property Damage or costs for clean up or evacuation for which the Insured is liable caused by an unexpected and unintended discharge of Pollutants.

20. Paid Premium

Paid Premium means premium actually paid by the Insured to the Insurer or the broker, and does not include any premium or part thereof paid to the Insurer by the broker if not paid by the Insured.

21. Property Damage

Property Damage means loss of, damage to, or destruction of tangible property not owned by the Insured, and loss of use of tangible property not owned by the Insured that has not been physically damaged or destroyed.

22. Products Liability

Products Liability means liability arising out of goods or products manufactured, sold, handled, serviced, repaired or distributed by the Insured or by others trading under its name (hereinafter called the Insured's Products) if the Occurrence occurs after possession of the goods or products has been relinquished to others by the Insured or by others trading under its name and if such Occurrence occurs away from premises owned, rented or controlled by the Insured; provided such goods or products shall be deemed to include any container thereof, other than a vehicle, but shall not include any vending machine or any property, other than such container, rented to or located for use of others but not sold.

23. Radioactive Material

Radioactive Material means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioisotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for production, use or application of atomic energy;

24. Tenant's Legal Liability

Tenants Legal Liability means all sums which the Insured shall become legally obligated to pay as compensatory damages because of Property Damage caused by an Occurrence to premises and structures or portions thereof, including fixtures permanently attached thereto, rented, occupied, leased, hired or borrowed by the Insured.

25. Ultimate Net Loss

Ultimate Net Loss means the actual loss sustained by the Insured (or his underlying insurers where applicable) arising out of or resulting from any one Occurrence, which shall include the total sum which the Insured becomes obligated to pay by reason of any liability not otherwise excluded.

1. Coverage

The coverage under this Policy is afforded solely on a per Occurrence basis with respect to Claims occurring during the policy period.

In consideration of payment of the Premium and in reliance upon the statements made to the Insurer by Application, which forms a part of this Policy, and subject to all terms, conditions and limitations of this Policy, the Insurer, the Policyholder and the Insureds agree as follows:

1.1 Liability Insured

The Insurer will pay on behalf of the Insured all sums which the Insured shall be obligated to pay by reason of the liability:

(A) imposed upon the Insured by law, or
(B) assumed under Contract by the Insured or any officer, director, partner or Employee, while acting in his capacity as such, for damages on account of:

- Personal and Advertising Injury;
- Completed Operations Liability;
- Employee Benefits Errors and Omissions Liability;
- Employer's Liability;
- Incidental Medical Malpractice Liability;
- Non-Owned Aircraft Liability;
- Non-Owned Watercraft Liability;
- Products-Completed Operations Liability;
- Products Liability;
- Property Damage;
- Sudden and Accidental Pollution Liability; and
- Tenant's Legal Liability

caused by or arising out of an Occurrence during the Policy Period subject to the exclusions, limitations and other terms and conditions of this Policy.

1.2 Defence, Settlement, Investigation and Negotiation

The Insurer is entitled to and shall, with respect to claims for injury, liability or damage covered by this Policy:

- (A) defend, in the name of and on behalf of the Insured and at the cost of the Insurer only, allegations, claims, demands, or suits which may at any time be instituted against the Insured even if such allegations, claims, demands, or suits may be groundless, false or fraudulent; or to make settlement of such claims as may be deemed expedient by the Insurer;
- (B) pay all premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability of this Policy, and all premiums on bonds required in any legal proceedings, but without any obligation to apply for or furnish such bonds;
- (C) pay all legal costs taxed against the Insured in any suit, appeal, or judgment and all interest accruing after entry of judgment until the Insurer has paid, tendered, or deposited into court such part of such judgment as does not exceed the limit of the Insurer's liability thereon;
- (D) pay all expenses incurred by the Insured for such immediate medical, dental and surgical relief to others as shall be necessary at the time of the Occurrence;
- (E) reimburse the Insured for all reasonable expenses incurred at the Insurer's request, including actual loss or earnings.

The amounts so incurred are payable by the Insurer in addition to the Limit of Liability of this Policy. However, with respect to any action brought in the United States or America, the amounts so incurred are included within the applicable limit of liability of this Policy.

2. Exclusions

There shall be no indemnity or liability on the part of the Insurer under this Policy in respect of:

2.1 Advertising Liability

With respect to Advertising Liability, claims made against the Insured for:

- (F) Failure of performance of contract, but this shall not relate to claims for unauthorized appropriation of ideas based upon alleged breach of an implied contract;
- (G) infringement of registered trademark, service mark or trade name by use thereof as the registered trademark, service mark or trade name of goods or services sold, offered for sale or advertised, but this shall not relate to titles or slogans;
- (H) incorrect description of any article or commodity;
- (I) mistake in advertised price.

2.2 Aircraft

Liability with respect to any aircraft owned or leased by the Insured; however, this exclusion shall not apply to the Insured's liability for Personal Injury to its employees, unless such liability is excluded under Exclusion 2.19.

2.3 Applicable Law

Liability arising out of the violation of any statute, law, ordinance or regulation.

2.4 Asbestos

Liability arising out of, or alleged to arise out of, the manufacture, distribution, sale, installation, removal, utilization, ingestion or inhalation of, or exposure to products manufactured, distributed, sold or installed by the Insured containing or consisting of:

- (A) asbestos fibres;
- (B) 2,4,5 trichlorophenoxyacetic acid ("2,4,5-T");
- (C) asbestiform talc;
- (D) diethylstilbesterol ("DES").

However, this exclusion shall not apply to Personal Injury or Property Damage caused by an Occurrence where such Personal Injury or Property Damage is not related to the asbestos, 2,4,5-T, asbestiform talc, or DES content or nature of the Insured's product or completed operations. The listing of products herein shall not give rise to an inference that Personal Injury or Property Damage attributable to other products was neither expected nor intended by the Insured.

2.5 Care, Custody and Control

Claims arising out of damage to:

- (A) property owned, occupied by, leased, or rented to the Insured,
- (B) that particular part of any property in the care, custody or control of the Insured for the purpose of having operations performed on such property by or on behalf of the insured, or over which the Insured is for any purpose exercising physical control.

This exclusion shall not apply to property of others which is leased to the Insured or in their care, custody and control for the purpose of rights of way, or where no physical or possessory control exists.

2.6 Drilling I Re-drilling

Liability for loss of or damage to any well or hole being drilled by or on behalf of the Insured or any well or hole which is in the care, custody or control of the Insured or for which the Insured is or may be responsible, and any cost or expense incurred in re-drilling or restoring the well or hole or any substitute well or hole.

2.7 Employee Benefit Programs

Liability of the Insured, or others for whom the Insured is legally responsible, in respect of the Administration of Employee Benefit Programs of the Insured:

- (A) arising out of any dishonest, fraudulent or criminal act or libel, slander, discrimination or humiliation;
- (B) arising out of Personal Injury or loss of, damage to or destruction of any tangible property, including the loss of use thereof;
- (C) arising from any claim for failure of performance of contract by any Insured;
- (D) arising from any claim based upon the Insured's deliberate failure to comply with any workers' compensation, unemployment compensation, government pension plans, social security or disability benefits law or any similar law;
- (E) arising from any claim based upon:
- (F) failure of securities to perform as represented by an Insured;
or
- (G) advice given by an Insured in connection with participation or non-participation in stock option or subscription plans.

2.8 Fiduciary Duty

Liability arising out of any actual or alleged error, misstatement or misleading statement or act, omission, neglect, breach of duty or accountability by any person or persons, jointly or severally, while acting within the scope of his Fiduciary Duty as an officer or director.

2.9 Fines or Penalties

Liability for fines or penalties. However, civil fines or penalties imposed to pay or reimburse for loss, damage or expense resulting from an Occurrence to the extent that the amount of the civil fine or penalty is measured by and limited to the actual loss, damage or expense incurred, shall not be excluded. However, with respect to any action brought in the United States of America, there shall be no indemnity or liability on the part of the Insurer under this Policy in respect of liability for fines, penalties, punitive damages, exemplary damages or any additional damages resulting from the multiplication of compensatory damages.

2.10 Intentional Acts

Liability of any Insured for assault and battery committed by or at the direction of any Insured except liability for Personal Injuries resulting from any act alleged to be assault and battery committed for the purpose of preventing Personal Injuries or damage to property of the Insured or of others; however, this exclusion shall not apply to the liability of the Insured for Personal Injury to its employees, unless such liability is excluded under Exclusion 2.19.

2.11 Motor Vehicle

Personal Injury or Property Damage arising out of the ownership, use or operation by or on behalf of any Insured of:

- (A) any Automobile; or
- (B) any motorized snow vehicle or its trailers.

This exclusion does not apply to the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment.

2.12 Mould

Liability resulting from the actual or potential presence of mould, mildew or fungi of any kind whatsoever, whether or not directly or indirectly caused by or resulting from any loss insured under this Policy.

2.13 Nuclear Energy Liability

Liability:

- (A) imposed by or arising under any nuclear act, law or statute;
- (B) for which an Insured is also insured under a contract Nuclear Energy Liability insurance (whether or not the Insured is named in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers and whether or not limited or no indemnity is available under that policy because of complete or partial exhaustion of its limit of liability;
- (C) resulting directly or indirectly from the Nuclear Energy Hazard arising from:
 - 1. the ownership, maintenance, operations or use via Nuclear Facility by or on behalf of an Insured;
 - 2. the furnishing by an Insured of services, materials, parts or equipment in connection with planning, construction, maintenance, operation or use of any Nuclear Facility;
 - 3. the possession, consumption, use, handling, disposal or transportation of Fissionable Substances, or of other Radioactive Material (except radioisotopes away from a Nuclear Facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

This clause shall be paramount and shall override anything contained in this Policy inconsistent therewith.

2.14 Pollution Liability

Liability for loss, cost or expense of whatsoever nature, arising out of any direction, request, demand or order, whether governmental or other, that the Insured test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of Pollutants, or any claim that the Insured reimburse any party for the costs thereof, regardless of how the Insured's liability is alleged to arise.

- (A) This exclusion does not apply to any liability of the Insured otherwise covered by the Products Liability hazard or the Completed Operations Liability hazard; or
- (B) Personal Injury or Property Damage caused by a sudden, unexpected and unintended discharge of Pollutants.

Notwithstanding anything in this Policy to the contrary, it is a condition precedent to the Insurer's liability for Pollution Liability that the Insured shall:

- (A) have become aware of the commencement of the discharge within 30 days of such commencement,
- (B) provide the Insurers with written notice of the commencement of such discharge within 2,160 hours (90 days) thereof.

2.15 Products Liability, Faulty Workmanship and Completed Operations

Claims made against the Insured:

- (A) on account of Personal Injuries or Property Damage resulting from the failure of the Insured's products or work completed by or for the Insured to perform the function or serve the purpose intended by the Insured, if such failure is due to a mistake or deficiency in any design, formula, plan, specification, advertising material or printed instructions prepared or developed by the Insured; but this exclusion (A) does not apply to Personal Injuries or Property Damage resulting from the active malfunctioning of such products or work;
- (B) on account of Property Damage to the Insured's products arising out of such products or any part of such products;
- (C) on account of Property Damage to work performed by or on behalf of the Insured arising out of such work or any portion thereof, or out of the materials, parts or equipment furnished in connection therewith;
- (D) for the withdrawal, inspection, repair, replacement, or loss of use of the Insured's products or work completed by or for the Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

2.16 Professional Liability

Liability or alleged liability for Property Damage or Personal Injury arising or alleged to arise out of any act, error or omission in the rendering of professional services including, but not limited to, the rendering of legal, accounting, architectural, engineering data processing, consulting or investment advisory services except such services as are an integral part of other work performed by or on behalf of the Insured or any associated or affiliated company. However, this exclusion shall not apply to Incidental Medical Malpractice Liability.

2.17 Watercraft

Claims arising out of the ownership, possession, maintenance, use or operation, Loading or Unloading, by or on behalf of the Insured of any watercraft, it being understood that this exclusion does not apply to:

- (A) watercraft while ashore on premises owned, rented or controlled by any Insured; or
- (B) watercraft not exceeding sixteen (16) metres in length; or
- (C) Bodily Injury sustained by any Employee.

2.18 Well Equipment Below Surface

Liability for loss of or damage to any drilling tool, pipe, collar, casing, bit, pump, drilling or well servicing machinery, or any other equipment while below the surface of the earth.

2.19 Workers' Compensation

Any obligation of the Insured under Workers' Compensation, or employment compensation law or any similar law.

3. General Conditions

Applicable to all sections and endorsements:

3.1 Action Against Insurer

No action shall lie against the Insurer unless, as a condition precedent, the Insured has fully complied with all the terms of this Policy, nor until the amount of the Insured's obligation to pay has been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer.

Every action or proceeding against the Insurer shall be commenced within one year next after the date of such judgment or written agreement and not afterwards.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy and subject to all defences the Insurer had, has, or may have against the Insured.

3.2 Adjustment of Claims

Adjustment of claims shall be carried out by the Insurer in respect of all Insureds.

3.3 Adjustment of Premium

- (A) The premium for each Policy Period will be determined in accordance with the Insurer's rating & premium plan.
- (B) If there is a substantial change in the Insured's operations during the Policy Period, the Insurer will adjust the premium in accordance with its then current rating & premium plan.

3.4 Agency

The Named Insured obtained this Policy and paid the premium on its own behalf and as agent for the other Insureds, including those referred to by general description. Any person, firm or corporation coming within the description of an unnamed person insured by this Policy may ratify such agency at any time subsequent to the issuance of the Policy for the purpose of entitlement to coverage. This insurance shall not be invalidated should the interest of the Insured or any one of them be other than sole or unconditional ownership.

3.5 Appeals

The Insurer may, at its own cost and expense, elect to appeal a judgment in excess of the Deductible and shall be liable for the taxable costs and disbursements and interest on judgments incidental thereto.

3.6 Assignment

Assignment of interest under this Policy shall not bind the Insurer unless and until its consent is endorsed hereon.

3.7 Assistance and Cooperation

Insurer shall be permitted at all reasonable times during the Policy Period or during adjustment of any claim to inspect the Insured's property and operations and to examine the Insured's books and records. The Insurer assumes no responsibility and waives no rights by reason of such inspection, examination, audit or omission thereof. The Insured may require the employees, agents or independent contractors of the Insurer to carry out any such inspection or examination in a manner which will maintain confidential any information obtained and to agree in writing that they shall treat as confidential and not use, except for the purpose of this Policy, or disclose any information obtained as a result of any such inspection or examination without the Insured's written permission.

3.8 Bankruptcy and Insolvency

The bankruptcy or insolvency of the Insured shall not relieve the Insurer of its obligations and shall not increase the Insurer's obligations or liability.

3.9 Cancellation

The Named Insured may cancel this policy at any time by sending a written request or by returning the policy and stating when thereafter cancellation is to take effect.

The Insurer may cancel this policy at any time by sending to the Named insured a notice giving 90 days (15 days in the event of non-payment of premium) notice of the cancellation. Notice of cancellation will be mailed to the last known address of the Insured and will indicate the date of cancellation.

The earned premium will be computed on a pro-rata basis always subject to the minimum premium shown on the Risk Details page. Any unearned premium will be returned as soon as practicable.

3.10 Conflicting Statutes

If any provision of the Policy is unenforceable by the Insured under the laws of any jurisdiction wherein it is claimed that the Insured is liable for any injury or loss covered hereby, because of non-compliance with any statute thereof, then this Policy shall be enforceable by the Insured with the same effect as if it complied with such statute.

3.11 Costs

Where the Ultimate Net Loss is likely to exceed the applicable deductible, no costs shall be incurred on behalf of the Insurer without the Insurer's consent and, if such consent is given, the Insurer shall consider such costs as part of the Ultimate Net Loss. No settlement of losses by agreement shall be effected by the Insured without the Insurer's consent.

3.12 Co-Ventures

This Policy insures the Insured's interest and any or all non-operators, co-venturers, co-owners, partners or other party, all hereinafter referred to as Co-Venturers, for whom the Insured is responsible to provide insurance.

3.13 Cross Liability

If one Insured incurs a liability to any other of the Insureds, this Policy will cover such Insured against whom a claim is made or may be made as if separate policies had been issued to each Insured, but without increasing in any way the Insurer's limit of liability.

3.14 Currency

Premiums, limits and losses are payable in Canadian currency.

3.15 Dispute Resolution

All disputes arising out of or relating to this Policy, including its existence, validity, termination, and interpretation, shall be resolved through mediation or, if mediation is unsuccessful, by binding arbitration in accordance with the provisions of the Alberta Arbitration Act then in effect by a panel of three arbitrators.

This clause survives the expiry, termination, or cancellation of this Policy.

3.16 Errors and Omissions

The Insured will not be prejudiced by any unintentional or inadvertent omission, error, incorrect valuation or incorrect description of the interest or risk provided notice is given to the Insurer as soon as practicable on discovery of any such error or omission.

MARKET REFORM CONTRACT

3.17 Law and Jurisdiction

This Policy is subject to law, practice and jurisdiction of the province and territory in Canada in which the first Named Insured is domiciled.

3.18 Liability Under This Policy

The Insured agrees that the liability and obligations of the Insurer shall be satisfied from the assets (including reinsurance recoveries) of the Insurer alone and that the individual subscribers of the Insurer shall have no other liability to the Insured.

3.19 Loss Payable

Losses are due and payable by the Insurer within 30 days after they are proved in conformity with this Policy.

If judgment is rendered, settlement is denominated or another element of damages is stated in a currency other than Canadian dollars, payment under this Policy shall be made in Canadian dollars at the rate of exchange prevailing on the date the final judgment is rendered, the amount of the settlement is agreed upon or the other element of damages is due.

3.20 Material Facts

The Insurer shall hold in good faith the information provided by the Insured during the application process as being accurate. The onus shall be upon the Insured to render any and all new or unaccounted for material facts to the attention of the Insurer as soon as practicable after this information becomes known to the Insured.

3.21 Named Insured

The Named Insured shall be deemed the sole and irrevocable agent of each and every Insured for the purpose of:

- (A) giving to or receiving from the Insurer notice of cancellation;
- (B) giving instructions to or agreeing with the Insurer for alterations of the Policy wording, premium, limits, deductibles and losses under this Policy;
- (C) making or receiving payments of premiums or adjustments of premium.

3.22 Notice of Loss/Occurrence

Whenever the Insured has information from which the Insured may reasonably conclude that a loss is likely to involve this Policy or that an Occurrence involves injuries or damage which, if the Insured is held liable, are likely to involve this Policy, written notice shall be given as soon as practicable to the Insurer and shall contain all then available information pertaining to the Occurrence.

If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every demand, notice, summons or other process received by the Insured or its representative.

3.23 Notices and Declarations to Insurer

Wherever a notice, declaration or other form of notice to the Insurer is required (except as to cancellation), it must, to have any effect, be accepted or acknowledged by the Insurer in writing.

3.24 Other Insurance

This Policy shall be primary insurance and if required by written contract or agreement, this Policy shall not seek contribution from any other insurance available to the Insured. Otherwise, if there is any other insurance available to the Insured, loss under this Policy shall be shared according to the method described below:

- (A) Each insurer shall contribute equal amounts towards the loss until none of the loss remains or until the limit of insurance is reached, whichever comes first; or

- (B) If any of the other insurance does not permit contribution by equal shares, then each insurer shall contribute based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

3.25 Permissions

Permission is granted the Insured to effect contracts or agreements customary or necessary to the conduct of its business under which it may assume liability or grant releases or waivers of subrogation therefrom, and the rights and obligations of the Insurer shall be governed by the terms of such contracts or agreements.

Permission is also granted to the Insured's Broker of Record to issue Certificates of Insurance or other evidence of coverage for the addition of Loss Payees, Mortgagees, Additional Insureds and Waivers of Subrogation, as their interests may appear, including all notice provisions of cancellation or material change, and the Insurer shall be governed by the terms of such Certificates or other evidence of coverage.

3.26 Plurals

Wherever the singular is used, the plural may be implied and vice versa.

3.27 Subrogation

- (A) The Insurer shall, upon payment of any loss, damage or expense, be subrogated to all the Insured's rights of recovery against any other person, firm or corporation who may be legally or contractually liable for such loss, damage or expense.
- (B) The Insurer may make claim upon and institute legal proceedings against any parties believed responsible for loss, damage or expense paid in the Insured's name, and the Insured shall give the Insurer its full co-operation in pursuing such claim or legal proceeding.
- (C) Insurer shall in no event have any right of recovery against any company, or the directors, officers or employees thereof, that is a subsidiary of the Insured.
- (D) In any action for recovery, the Insurer will, where required by the Insured, work jointly with the Insured or its duly appointed legal representatives to include any amount of uninsured loss as submitted by the Insured within the said action for recovery. Any judicially unallocated awards shall be apportioned in the ratio that the Insured's portion of Ultimate Net Loss bears to the total Ultimate Net Loss.

3.28 Submission of Claim

Liability under this Policy with respect to any Occurrence shall not attach unless and until the Insured, or its underlying insurers, shall have paid the amount of Deductible or underlying limits on account of such Occurrence. Failure of the Insured's underlying insurers to pay the amount of the underlying limits because of the underlying insurer's insolvency shall not invalidate this Policy, but the Insurer shall be liable only to the same extent as it would have been had the insolvency not occurred. The Insured shall submit a definite claim for any loss for which the Insurer may be liable within one year after the Insured shall have paid an amount of Ultimate Net Loss in excess of the amount to be borne by the Insured or by underlying insurers where applicable or after the Insured's liability shall have been rendered certain either by final judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer. If any subsequent payments shall be made by the Insured on account of the same Occurrence, additional claims shall be made similarly from time to time.

3.29 Territorial Limits

This Policy only applies to activities and losses that occur within the territorial limit shown in Risk Details.

4. Statutory Conditions

Applicable to All Sections and Endorsements

4.1 Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

4.2 Property of Others

The Insurer is not liable for Claim to property owned by a person other than the Insured unless:

- (A) otherwise specifically stated in the contract, or
- (B) the interest of the Insured in that property is stated in the contract.

4.3 Change of Interest

The Insurer is liable for Claim occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

4.4 Material Change in Risk

- (A) The Insured must promptly give notice in writing to the Insurer or its agent of a change that is
 - (1) material to the risk, and
 - (2) within the control and knowledge of the Insured.
- (B) If an Insurer or its agent is not promptly notified of a change under sub paragraph (A) of this condition, the contract is void as to the part affected by the change.
- (C) If an Insurer or its agent is notified of a change under subparagraph (A) of this condition, the Insurer may
 - (1) terminate the contract in accordance with Statutory Condition 4.5, or
 - (2) notify the insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen (15) business days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.
- (D) If the Insured fails to pay an additional premium when required to do so under subparagraph (C)(2) of this condition, the contract is terminated at that time and Clause 4.5 (B)(1) applies in respect of the unearned portion of the premium.

4.5 Termination of Insurance

- (A) This contract may be terminated,
 - (1) by the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or five (5) days written notice of termination personally delivered; or
 - (2) by the Insured at any time on request.
- (B) If the contract is terminated by the Insurer,
 - (1) the Insurer must refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (2) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (C) If the contract is terminated by the Insured, the Insurer must refund as soon as practicable by way of certified cheque, bank draft, money order or wire transfer the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (D) The 15-day period referred to in Clause 4.5 (A)(1) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address. Cancellation is subject to the minimum premium, if applicable, shown in the Risk Details.

4.6 Requirements After Claim

- (A) On the happening of any Claim to Property Insured, the Insured must, if the Claim is covered by the contract, in addition to observing the requirements of Clause 4.9,
 - (1) immediately give notice in writing to the Insurer,
 - (2) deliver as soon as practicable to the Insurer a proof of Claim in respect of the Claim to the Property Insured verified by statutory declaration
 - (A) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of Claim claimed,
 - (B) stating when and how the Claim occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (C) stating that the Claim did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 - (D) stating the amount of other insurances and the names of other Insurers,
 - (E) stating the interest of the Insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
 - (F) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
 - (G) stating the place where the Property Insured was at the time of Claim,
 - (3) if required by the Insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (4) if required by the Insurer and if practicable,
 - (A) produce books of account and inventory lists,
 - (B) furnish invoices and other vouchers verified by statutory declaration, and
 - (C) furnish a copy of the written portion of any other relevant contract.
- (B) The evidence given, produced or furnished under Clauses 4.6(A)(3) and (4) of this condition must not be considered proofs of Claim within the meaning of Clauses 4.12 and 4.13.

4.7 Fraud

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Clause 4.6 invalidates the claim of the person who made the declaration.

4.8 Who May Give Notice and Proof

Noticed Claim under Clause 4.6(A)(1) may be given and the proof of Claim under Clause 4.6(A)(2) may be made:

- (A) by the agent of the Insured if:
 - (1) the Insured is absent or unable to give the notice or make the proof, and
 - (2) the absence or inability is satisfactorily accounted for, or
- (B) by a person to whom any part of the insurance money is payable, if the insured refuses to do so, or in the circumstances described in subparagraph (A) of this condition.

4.9 Salvage

- (A) In the event of Claim to Property Insured, the Insured must take all reasonable steps to prevent further Claim to that property and to prevent Claim to other property insured under the contract, including, if necessary, removing the property to prevent Claim or further Claim to the property.
- (B) The Insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the Insured under Clause 4.9(A) of this condition.

4.10 Entry, Control, Abandonment

After Claim to Property Insured, the Insurer has

- (A) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimated the Claim, and
- (B) after the insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the Claim, but
 - (1) without the Insured's consent, the Insurer is not entitled to the control or possession of the Insured Property, and
 - (2) without the Insurer's consent, there can be no abandonment to it of the Insured Property.

4.11 In Case of Disagreement

- (A) In the event of disagreement as to the value of the Insured Property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the Claim, those questions must be determined using the applicable dispute resolution process set out in the Insurance Act whether or not the Insured's right to recover under the contract is disputed, and independently or all other questions.
- (B) There is no right to a dispute resolution process under this condition until:
 - (1) a specific demand is made for it in writing, and
 - (2) the proof of Claim has been delivered to the Insurer.

4.12 When Claim Payable

Unless the contract provides for a shorter period, the Claim is payable within sixty (60) days after the proof of Claim is completed in accordance with Clause 4.6 and delivered to the Insurer.

4.13 Repair or Replacement

- (A) Unless a dispute resolution process has been initiated, the Insurer, instead of making payment, may repair, rebuild or replace the Insured Property lost or damaged, on giving written notice of its intention to do so within thirty (30) days after receiving the proof of Claim.
- (B) If the Insurer gives notice under subparagraph (a) of this condition, the Insurer must begin to repair, rebuild or replace the property within forty-five (45) days after receiving the proof of Claim and must proceed with all due diligence to complete the work within a reasonable time.

4.14 Action

Every action or proceeding against the Insurer for the recovery or any claim shall be absolutely barred unless commenced within one year after the Claim occurs, unless legislation provides otherwise.

4.15 Notice

- (A) Written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province.
- (B) Written notice to the Insured may be personally delivered at, or sent by registered mail addressed to, the Insured's last known address as provided to the Insurer by the Insured.

The Insured is requested to read this Policy, and if incorrect, return it immediately for alteration. In the event of an Occurrence likely to result in a claim under this Insurance, immediate notice should be given to the Canadian Intermediary designated above.

S.P.F. #6- Non-Owned Automobile Endorsement

In consideration of the payment of the premium specified in Risk Details and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated

Section A- Third Party Liability

The Insurer agrees to indemnify the Insured for all sums which the Insured may become legally obligated to pay for loss or damage arising from the use or operation of any automobiles not owned in whole or in part by, or registered in the name of the Insured and resulting from:

- (A) BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS IN THE CARE, CUSTODY OR CONTROL OF THE INSURED.

Provided always the Insurer shall not be liable under this endorsement:

- (1) For the liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual, or
- (2) For any liability imposed upon any person insured by this endorsement:
 - By any workers' compensation law;
 - For Bodily Injury to or the death of the Insured or any partner, officer or Employee while engaged in the business of the Insured.
- (3) For any liability voluntarily assumed by any person insured by this endorsement under any oral Contract;
- (4) For loss or damage to property carried in or upon any automobile personally driven by any person insured by this endorsement or to any property owned or rented by, or in the care, custody or control of any such person;
- (5) For any amount in the excess of the amount stated in the Risk Details exclusive of interests and costs, for loss or damage resulting from Bodily Injury to or the death of one or more persons, regardless of the number of Claims arising from any one accident and subject to the provisions of the section of the Insurance Act relating to the nuclear energy hazard.

Additional Agreements of the Insurer

Where indemnity is provided by this endorsement, the Insurer further agrees:

- (A) upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this endorsement by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting Claims, as may be deemed expedient by the Insurer; and
- (B) to defend in the name and on behalf of any person insured by this endorsement and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- (C) to pay all costs taxed against any person insured by this endorsement in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability; and
- (D) if the injury is to a person, reimburse any person insured by this endorsement for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- (E) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in the Risk Details; and
- (F) not set up any defense to a claim that might not be set up if the endorsement were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

Agreements of Insured

Where indemnity is provided by this section, every person insured by this endorsement

- (A) by the acceptance of this endorsement, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder; and
- (B) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this endorsement.

General Provisions and Definitions**(A) ADDITIONAL INSURED**

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or Employee who, with the consent of the owner thereof, personally drives

- (1) In the business of the Insured, any automobile not owned in whole or in part by or licensed in the name of
 - (A) the Insured; or
 - (B) such additional insured person; or
 - (C) any person or persons residing in the same dwelling premises as the Insured or such additional insured person; or
- (2) Any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

(B) TERRITORY

This endorsement applies only to the use or operation of automobiles within Canada or the United States of America or upon a vessel plying between ports of those countries.

(C) HIRED AUTOMOBILES DEFINED

The term Hired Automobiles as used in this endorsement means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business of the Insured but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or Employee.

(D) AUTOMOBILES OPERATED UNDER CONTRACT DEFINED

The term Automobiles Operated under Contract as used in this endorsement means automobiles operated in the business of the Insured where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or Employee.

(E) TWO OR MORE AUTOMOBILES

When two or more automobiles are insured hereunder the terms of this endorsement shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be one automobile as respects Limit of Liability under Section A.

(F) PREMIUM ADJUSTMENT

The Advance Premium stated in the Liability Schedule is computed on:

- (1) The estimated total cost of hire for the Policy Period. The words cost of hire mean the entire amount incurred for Hired Automobiles and drivers when such automobiles are hired with drivers or the amount incurred for hired automobiles and the wages paid to drivers when such drivers are employees of the Insured; and
- (2) The estimated total contract cost for the Policy Period. The words contract cost mean the entire amount paid by the Insured for Automobiles Operated under Contract to the owners thereof.

The Advance Premium is subject to adjustment at the end of the Policy Period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such amounts exceed the estimates stated in the application, the Insured shall immediately pay additional premium at the rates applicable thereto; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum and Retained Premium.

The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insured to the extent they relate to the premium bases or the subject matter of this endorsement.

(G) STATUTORY CONDITIONS

The coverage provided under this Coverage is subject to the Automobile Statutory Conditions approved by the Superintendent of Insurance for the province in which this policy is issued and upon request the Insurer will make available a complete copy of same.

Limit of Liability

CAD **As per Risk Details** (Exclusive of interests and costs) Any One Accident

Deductible Amount

CAD **As per Risk Details** Per Accident

Except as otherwise provided in this Endorsement, all terms, provisions and conditions of the Policy shall have full force and effect.

S.E.F. #94- Legal Liability for Damage to Hired Automobiles Endorsement

(for attachment only to a Non-Owned Policy S.P.F. No.6)

In consideration of the premium herein stated, it is understood and agreed that the Non-Owned Automobile Endorsement to which this endorsement is attached is extended, subject always to the condition that the Insurer shall be liable under the subsection or subsections of the Insuring Agreement hereof for which a premium is stated and no other.

Section B - Legal Liability for Damage to Hired Automobile

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured or assumed by him under any Contract for loss or damage arising from the care, custody or control of Hired Automobiles as defined in the Non-Owned Automobile Liability Coverage Endorsement and resulting from loss or damage thereto, caused by All Perils.

All Perils and Deductible Clause

Each Occurrence causing loss or damage covered herein, except loss or damage caused by fire or lightning or theft of the entire automobile, shall give rise to a separate claim in respect of which the Insurer's liability shall be limited to the amount of loss or damage in excess of the amount deductible, if any, stated herein.

Two or More Automobiles

A motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate automobiles with respect to the Limit of Liability, including deductible provision, if any, under this Insuring Agreement.

Exclusions

The Insurer shall not be liable:

- (A) for loss or damage to any automobile while personally driven by the Insured if the Insured is an individual; or
- (B) for loss or damage:
 - (1) to tires or consisting of or caused by mechanical fracture or breakdown of any part of an automobile or by rusting, corrosion, wear and tear, freezing or explosion within the combustion chamber, unless the loss or damage is coincident with other loss or damage covered herein or is caused by fire, theft or malicious mischief; or
 - (2) to any automobile while being used without the consent of the owner thereof; or
 - (3) caused directly or indirectly by contamination by radioactive material; or
 - (4) to contents of trailers or to rugs or robes; or
 - (5) to tapes, CDs, DVDs and equipment for use with such tape recorder, CD player or DVD player when detached therefrom; or
 - (6) caused directly or indirectly by bombardment, invasion, insurrection, civil war, rebellion, revolution, military or usurped power, or by the operation of armed forces while engaged in hostilities whether war be declared or not; or
 - (7) for any amount in excess of the limit stated herein and expenditures provided for in the Additional Agreements of the Non-Owned Automobile Liability Coverage Endorsement.

Additional Agreements

The Insurer further agrees to pay general average, salvage and fire department charges and custom duties of Canada or of the United States of America for which the Insured is legally liable.

Limit of Liability

CAD **As per Risk Details** (Exclusive of interests and costs) Any One Accident

Deductible Amount

CAD **As per Risk Details** Per Accident

Except as otherwise provided in this Endorsement, all terms, provisions and conditions of the Policy shall have full force and effect.

S.E.F. #99 - Long Term Leased Vehicle Exclusion Endorsement

(for attachment only to a Non-Owned Policy S.P.F. No.6)

In consideration of the premium specified in the Risk Details, it is understood and agreed that Clause (C)- Hired Automobiles Defined of the General Provisions and Definitions of the S.P.F. #6- Non-Owned Automobile Policy is hereby amended to read as follows:

The term Hired Automobiles as used in this endorsement means

- (a) automobiles hired or leased from others with drivers; or
- (b) hired or leased by the Named Insured from others without driver for periods not exceeding 30 days

used under the control of the Insured in the business of the Insured, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or Employee.

Except as otherwise provided in this Endorsement, all terms, provisions and conditions of the Policy shall have full force and effect.

S.E.F. NO. 96

CONTRACTUAL LIABILITY ENDORSEMENT

(For attachment only to a Non-Owned Rider SPF No . 6)

In consideration of the premium charged it is understood and agreed that exclusion (c) of the Insuring Agreement of the Policy to which this endorsement is attached is amended to read as follows:

(c) For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than those stated below:

Date(s) of contract(s)

Name(s) of other contracting party or parties

ALL OTHER TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS REMAIN UNALTERED

Fire Fighting Expense Liability Endorsement

The Insurer will pay on behalf of the Insured those expenses which the Insured becomes obligated to pay for liability imposed upon the Insured by law or statute pursuant to the relevant provisions of the Forest and Prairie Protection Act of Alberta or the equivalent legislation in any Province in Canada or of any State of the United States of America but only as respects the costs to others of controlling or extinguishing forest or prairie fires.

Exclusions

Coverage granted herein shall not extend to cover:

- (A) any Fire Fighting Expenses of the Insured, its Employees or agents;
- (B) any Fire Fighting Expenses of a contractor or subcontractor engaged by the Insured at the time loss first occurs;
- (C) liability assumed by the Insured under any Contract, except liability of the Insured that would have existed in the absence of such Contract; or
- (D) any Action brought against any of the Insureds by any other Insured or Insureds under this Policy in respect to the recovery of Fire Fighting Expenses.

Limits of Liability

The Limit of Liability stated in the Risk Details as applicable to each Occurrence is the Limit of the Insurer's liability hereunder for all sums on account of one Occurrence.

Except as otherwise provided in this Endorsement, all terms, provisions and conditions of the Policy shall have full force and effect.

Medical Payments

The Insurer agrees to pay medical expenses described below for Bodily Injury caused by an accident on premises the Insured owns or rents; on ways next to such premises; or arising out of the Insured's operations; provided that the accident takes place during the Policy Period and the expenses are incurred within one year of the date of the accident.

The Insurer will make these payments regardless of fault. The Insurer will pay reasonable expenses for first aid at the time of an accident; necessary medical, surgical, x-ray and dental services, including prosthetic devices; necessary ambulance, hospital, professional nursing and funeral services.

Exclusions

The Insurer will not pay expenses for Bodily Injury:

- (A) to an Insured or a person hired to do work for or on behalf of any Insured or a tenant of any Insured;
- (B) to a person injured on that part of the Named Insured's premises the person occupies;
- (C) to a person who at the time of injury is entitled to benefits under any worker's compensation or disability benefits law or similar law;
- (D) included within Products Liability or Completed Operations Liability; or
- (E) whereby the payment of which is prohibited by Applicable Law.

Limits of Liability

The Limit of Liability for Each Person stated in the Risk Details is the limit of the Insurer's liability for all expenses incurred by or on behalf of one person who sustains Bodily Injury in any one accident. The Limit of Liability for Each Accident stated in the Risk Details is the total limit of the Insurer's liability for all expenses incurred by or on behalf of two or more persons who sustain Bodily Injury in any one accident.

Except as otherwise provided in this Endorsement, all terms, provisions and conditions of the Policy shall have full force and effect.

Blanket Additional Insured Endorsement

Notwithstanding anything to the contrary contained in this Policy and subject to the conditions contained in this Policy, that if required by a written contract or agreement Section 2.2- Parties Insured shall be amended to include as an Additional Insured any person(s) or organization(s), but only with respect to liability for Bodily Injury, Property Damage or Personal and Advertising Injury caused in whole or in part, by the acts or omissions of or on behalf of the Named Insured:

- (A) in the performance of ongoing operations; or
- (B) in connection with any premises owned by or rented to the

Named Insured. However, the insurance afforded to such Additional

Insured:

- (A) only applies to the extent permitted by law; and
- (B) will not be broader than that required by the written contract or agreement.

Limits of Liability

The Limit of Liability afforded to the Additional Insured shall be the lesser of the:

- (A) amount of insurance required by written contract or agreement; or
- (B) Limit of Liability applicable to each Occurrence and shall not increase the Combined Single Limit for any one Occurrence under this Policy and is subject to the remaining balance of the applicable Annual Aggregate limit.

Except as otherwise provided in this Endorsement, all terms, provisions and conditions of the Policy shall have full force and effect.

United States of America Jurisdiction Clause

Notwithstanding anything contained herein to the contrary it is understood and agreed that this Policy is amended to apply in respect of any judgement award payment or settlement made within countries which operate under the laws of the United States of America (including any order made anywhere in the World to enforce such judgement award payment or settlement either in whole or part) or in respect of legal costs fees and expenses pertaining thereto

Provided always that

- 1) the Underwriters shall not provide indemnity in respect of any company domiciled or registered in the United States of America its territories or possessions

- 2) in respect of legal liability of the Assured arising under lawsuits brought in or subject to the jurisdiction of any Court of Law in the United States of America its territories or possessions and its judgements or orders obtained in the aforesaid Courts for enforcement in any other Court of Law whether by way of reciprocal agreement conventions or otherwise
 - (A) The Limits of Indemnity as stated in the Schedule are inclusive of all legal costs fees and expenses

Subject otherwise to the Terms Conditions Limitations and exclusions of the Policy

Commercial Insurance Submission

Mantle Materials Group Ltd

9046 22 Avenue SW
Edmonton, AB T6X 1Z6

Name	Title	Phone	Email
Lindsay Guindon	Risk Advisor	(780) 930-3872	lguindon@lloydsadd.com
Adam Fowler	Partner, Senior Risk Advisor	(780) 930-8906	afowler@lloydsadd.com
Meagan St.Pierre	Account Manager	(780) 930-3806	mstpierre@lloydsadd.com

Lloyd Sadd Insurance Brokers Ltd.
Suite 700, 10240 - 124 Street
Edmonton, AB T5N 3W6

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Client Profile

Named Insured(s)

Mantle Materials Group Ltd
Refer to Schedule of Named Insureds

Underwriting Details

Mailing Address: 9046 22 Avenue SW, Edmonton, AB, T6X 1Z6

Territory: All over Alberta, especially Northern Alberta

Operations: Gravel crushing, aggregate

Contact Information for Inspection: Adam Fowler, Lloyd Sadd Insurance Brokers Ltd.
(780) 930-8906

Incumbent Insurer(s): This is new business

Effective Date: October 16, 2020

Additional Client Information

Operation Details/Notes

Mantle Materials Group was started in September 2016. JMB Crushing went into receivership in the summer of 2020. From this process, JMB management (CFO, senior management, safety) and private financing bought a significant amount of the JMB assets. They formed Mantle Materials Group.

Mantle will operate a few pits and start small with a few contracts.

Revenue

Gravel Sales & Crushing - \$3MM

Gravel Trucking - \$3MM

Mantle will be carrying on the same operations as JMB; gravel holdings, gravel trucking, gravel crushing, with more emphasis on sub-contracting in 2021. We will subcontract all crushing and earthworks requirements. Mantle may eventually purchase a small fleet of trucks but that decision has not been made. The emphasis will be sub-contracting out the majority of the risks.

Mantle will only utilize two wheel loaders and 2-3 pick up trucks to start. The rest of the equipment on the asset schedule will be stored in the Mantle Bonnyville yard with the purpose to sell or auction. This yard is occupied under business hours and is fenced, alarmed etc. This area is well populated. There will be no USA exposure or activity outside of Alberta.

Location Schedule

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

No.	Address
1	REFER TO STATEMENT OF VALUES

Additional Interests

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Applicable Coverage

Additional Interests

REFER TO ADDITIONAL INTERESTS SCHEDULES

Property

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Coverage Detail

	Deductible	Limit
Office Contents	\$2,500	\$50,000
Employee Tools	\$2,500	\$29,700
Shop Contents Including Equipment	\$2,500	\$200,000
Electronic Data Processing - Equipment	\$2,500	\$25,000
Electronic Data Processing - Media	\$2,500	\$25,000

Coverages	Deductible	Limit
All Risks of Direct Physical Loss or Damage subject to Insurers Standard Exclusions		
Replacement Cost Settlement Basis except Stock, which is Actual Cash Value Settlement		
90% Co-Insurance		
Standard Mortgage Clause - If Applicable		
Earthquake	5% \$100,000 Minimum	Included
Flood	\$25,000	Included
Sewer Back-up	\$5,000	Include
Water Damage	\$5,000	Included

Additional Coverages	Deductible	Limit
Accounts Receivable		\$100,000
Debris Removal - Additional Amount		\$250,000
Fire Department Service Charges		\$25,000
Newly Constructed or Acquired Property		\$1,000,000
Professional Fees		\$100,000
Property at Installation Site		\$50,000
Property In Transit		\$100,000
Property In Transit By Governmental Postal Service		\$5,000
Valuable Papers And Records Costs Of Research		\$100,000

Amendments, Limitations and Exclusions
Data Exclusion
Fungi and Fungal Derivatives Exclusion
Terrorism Exclusion

Coverage is subject to terms, conditions and exclusions as shown in the policy declarations.

This document is a summary of your coverages. It does not include a full listing of all extensions or exclusions. These are more fully described in your policy wordings.

Business Interruption

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Coverage Detail

Coverage	Deductible	Limit
Business Income - Extended Form (Profits) Indemnity Period - 18 Months		\$3,800,000
Profits Deductible - 24 Hours Waiting Period (100% Co-Insurance)		
Extra Expense		As per statement of value
Additional Coverages	Deductible	Limit
Civil Authority - 30 Consecutive Days: 72 Hours Waiting Period		
Newly Acquired Premises		\$1,000,000
Professional Fees		\$25,000
Transit Business Income		\$25,000
Utility Services - 24 Consecutive Hours Waiting Period		\$50,000
Undescribed Premises		\$25,000
Ingress/Egress - 30 Consecutive Days: 24 Hours Waiting Period - Included		

Coverage is subject to terms, conditions and exclusions as shown in the policy declarations.

This document is a summary of your coverages. It does not include a full listing of all extensions or exclusions. These are more fully described in your policy wordings.

Contractors Equipment

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Coverage Detail

Coverage - Refer to Contractors Equipment Schedule				
Coverage	Basis of Settlement	Deductible Amount	Amount of Insurance	
Scheduled Gravel Crushing Equipment - CAD	Replacement Cost - 5 years old & newer otherwise ACV	Refer to Additional Coverages	\$1,439,500	
Mobile Equipment	Replacement Cost - 5 years old & newer otherwise ACV	Refer to Additional Coverages	\$2,484,000	
Unscheduled Rented, Leased or Borrowed Equipment	Replacement Cost - 5 years old & newer otherwise ACV	Refer to Additional Coverages	\$1,000,000	
Miscellaneous Tools & Equipment	Replacement Cost - 5 years old & newer otherwise ACV	1,000	\$35,000	
Total Insured Value (TIV)			\$4,958,500	

Other Limits/Coverage	Deductible	Limit
Loss or Catastrophe Limit		\$5,000,000
Ice and Muskeg		Included
Automatic Coverage for Newly Acquired Property - Maximum Value		\$250,000
Rental Reimbursement	72 Hours	\$50,000
Co-Insurance		100%

Additional Coverages	Deductible	Limit
Pollutant Clean-up and Removal		\$25,000
Scheduled Contractors Tools and Equipment valued <\$100,000		
Deductible		
- 5%/Min. \$2,500		
Scheduled Contractors Tools and Equipment valued \$100,001 - \$250,000		
Deductible		
- 5%/Min. \$7,500		
Scheduled Contractors Tools and Equipment valued \$250,001 - \$400,000		
Deductible		
- 5%/Min. \$15,000		

Scheduled Contractors Tools and Equipment valued >\$400,001	
Deductible	
- 5%/Min. \$25,000	
Electronic Data Processing Data and Media	\$50,000
Expediting Expenses	\$25,000
Fire Protective Equipment Discharge	\$25,000
Hauling Property of Others	\$50,000
Business Personal Property in Job Trailers	\$10,000
Expendable Supplies	\$1,000
Debris Removal - Additional Amount	\$25,000
Employee Tools, Equipment and Clothing	
- Any One Item - \$1,000 Limit	
Any One Employee - \$2,500 Limit	
Any One Occurrence - \$5,000 Limit	
Fire Department Service Charge	\$25,000
Professional Fees	\$5,000
Valuable Papers and Records - Cost of Research	\$50,000

Additional Interests

Refer to Loss Payee/Lessor Schedule

Coverage is subject to terms, conditions and exclusions as shown in the policy declarations.

This document is a summary of your coverages. It does not include a full listing of all extensions or exclusions. These are more fully described in your policy wordings.

Crime

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Coverage Detail

Coverage	Deductible	Limit
Employee Dishonesty		\$10,000
Broad Form Money and Securities		\$2,500
Forgery or Alteration		\$10,000

Coverage is subject to terms, conditions and exclusions as shown in the policy declarations.

This document is a summary of your coverages. It does not include a full listing of all extensions or exclusions. These are more fully described in your policy wordings.

General Liability

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Coverage Detail

Coverage	Deductible	Per Occurrence	Annual Aggregate
Commercial General Liability - Occurrence			
Combined Bodily Injury/Property Damage	\$2,500	\$2,000,000	
General Aggregate			\$5,000,000
Products and Completed Operations			\$2,000,000
Personal Injury and Advertising	\$2,500	\$2,000,000	
Medical Payments	Each Person	\$25,000	
Tenants Legal Liability	\$2,500	\$2,000,000	
Employee Benefits Liability -	Per Claim	\$1,000	\$1,000,000
	Each Employee Limit	\$1,000,000	
SPF 6 - Standard Non-Owned Automobile		\$2,000,000	
SEF 94 - Legal Liability for Damage to Hired Automobiles	\$1,000	\$50,000	
Endorsement			
Type of Vehicles Covered:			
	Light Trucks		
	Passenger Vans		
SEF 96 - Contractual Liability Endorsement			
SEF 99 - Excluding Long Term Leased Vehicle Endorsement			
Sudden & Accidental Pollution Liability	\$5,000	\$2,000,000	\$2,000,000
"Discovery: 120 Hours			
Reporting: 120 Hours			

Additional Coverages	Deductible	Limit
Fire Fighting Expenses Liability Coverage	\$5,000	\$1,000,000
Blanket Additional Insured		
- Persons or Organizations for your Ongoing Operations as Required By		
Written Contract or Agreement		

Amendments, Limitations and Exclusions
Data Exclusion
Exclusion - Unsolicited Communication
Fungi and Fungal Derivatives Exclusion
Silica Exclusion
Terrorism Exclusion

Coverage is subject to terms, conditions and exclusions as shown in the policy declarations.

This document is a summary of your coverages. It does not include a full listing of all extensions or exclusions. These are more fully described in your policy wordings.

Automobile - Scheduled

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Coverage Detail

Vehicle Schedule														
Veh #	Year, Make & Model	Serial Number	LPN	Class Code	Territory	*Radius	Attached Equipment	Third Party Liability Limit	All Perils Deductible	Collision or Upset Deductible	Comprehensive Deductible	Specified Perils Deductible	Endorsements	Premium
1	REFER TO SCHEDULE							Not Covered						
													Total Premium	\$

***Radius**

- A - operating within a 25 mile (40 km) radius
- B - operating within a 50 mile (80 km) radius
- C - operating within a 100 mile (160 km) radius
- D - operating over a 100 mile (160 km) radius within Canada
- E - operating in USA

Endorsements

REFER TO SCHEDULE

Coverage is subject to terms, conditions and exclusions as shown in the policy declarations.

This document is a summary of your coverages. It does not include a full listing of all extensions or exclusions. These are more fully described in your policy wordings.

Driver Schedule

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Name	Date of Birth	Driver's License No.	Date First Licensed	Date Hired	Date of MVR
REFER TO SCHEDULE					

Automobile – Fleet (Alberta)

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Coverage Detail

Third Party Liability Limit	Refer to Scope of Coverage
Accident Benefits	As Required By Law
Section C – Physical Damage	Refer to Scope of Coverage
Schedule of Vehicles	Refer to Attached
Schedule of Drivers	Refer to Attached

SCOPE OF COVERAGE - Alberta						
Type of Use or Description of Automobiles	Third Party Liability Limit	All Perils Deductible	Collision Deductible	Comprehensive Deductible	Specified Perils Deductible	Unit Premium
Heavy Commercial Vehicles	\$2,000,000	\$10,000	Included	Included	Included	
Dump Trucks	\$2,000,000	\$7,500	Included	Included	Included	
Water Trucks	\$2,000,000	\$10,000	Included	Included	Included	
Medium Commercial Vehicles - 2014 and Older	\$2,000,000	Not Covered	Not Covered	Not Covered	Not Covered	
Light Commercial Vehicles - 2016 and Newer	\$2,000,000	\$1,000	Included	Included	Included	
Private Passenger Vehicles	\$2,000,000	\$5,000	Included	Included	Included	
ATV'S	\$2,000,000	\$2,500	Included	Included	Included	
Heavy Commercial Trailers	\$2,000,000	\$5,000	Included	Included	Included	
Dump Trailers	\$2,000,000	\$5,000	Included	Included	Included	
SEF 27 - Non-Owned Heavy Commercial Units - \$200,000 Limit	\$2,000,000	\$8,000	Included	Included	Included	
SEF 27 - Permission to Pull Non-Owned Trailers - \$80,000 Limit	\$2,000,000	\$5,000	Included	Included	Included	
Light Commercial Vehicles - 2014 and Older	\$2,000,000	Not Covered	Not Covered	Not Covered	Not Covered	

Endorsements

21B Blanket Basis Fleet Endorsement - Adjustment Basis

Additional Interests

REFER TO ADDITIONAL INTERESTS SCHEDULES

Coverage is subject to terms, conditions and exclusions as shown in the policy declarations.

This document is a summary of your coverages. It does not include a full listing of all extensions or exclusions. These are more fully described in your policy wordings.

Umbrella Liability

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Coverage Detail

Coverage		Limit
Umbrella Liability	Each Claim	\$8,000,000
	Aggregate	\$8,000,000
Coverage Form:		Occurrence

Deductibles / Self Insured Retention	Limit
Each Claim	\$10,000

Underlying Coverage						
Coverage Type	Insurer	Policy No.	Effective Date	Expiry Date	Limit	Currency
Commercial General Liability	Travelers Insurance Company of Canada				\$2,000,000	CAD
SPF6 - Non-Owned Automobile Liability	Travelers Insurance Company of Canada				\$2,000,000	CAD
SPF1 - Owned Automobile	Travelers Insurance Company of Canada				\$2,000,000	CAD

Coverage is subject to terms, conditions and exclusions as shown in the policy declarations.

This document is a summary of your coverages. It does not include a full listing of all extensions or exclusions. These are more fully described in your policy wordings.

Motor Truck Cargo

Insurance Company: Travelers Insurance Company of Canada

Policy Term: September 30, 2020 to September 30, 2021

Coverage Detail

Coverage	Deductible	Limit	Catastrophe Limit
Motor Truck Cargo Owners and Carriers	\$5,000	\$1,000,000	\$1,000,000

Extensions / Additional Coverages	Deductible	Limit
Loading & Unloading		Included
Debris Removal		\$10,000
Earned Freight Charges		\$10,000
Temporary Location		Not Covered

Coverage is subject to terms, conditions and exclusions as shown in the policy declarations.

This document is a summary of your coverages. It does not include a full listing of all extensions or exclusions. These are more fully described in your policy wordings.

STATEMENT OF VALUES

MANTLE MATERIALS GROUP LTD

SEPTEMBER 30, 2020 - SEPTEMBER 30, 2021

NO.	LOCATION	CONSTRUCTION DETAILS	PROPERTY				COMPUTER EQUIPMENT			BUSINESS INTERRUPTION	
			SHOP CONTENTS INCLUDING EQUIPMENT	OFFICE CONTENTS	EMPLOYEE TOOLS	TOTAL	HARDWARE	SOFTWARE: DATA	TOTAL	PROFITS (18 MONTHS)	EXTRA EXPENSE
1	NW 20-61-5 W4M (PL 8120456) Junction of SH 660 & RR 455 Bonnyville, AB T9N 2H4	Walls: Frame/Concrete Height: 1 Storey - 2 Buildings plus Atco trailer Roof: Frame Heating: Forced Air Year Built: TBA Fenced Perimeter Sprinklers: TBA Total sq. ft.: Insd. Area: Insured's Occupancy: Shop/Office Other Occupants: None Upgrades: Security and Signage	\$ 200,000	\$ 40,000	\$ 29,700	\$ 269,700	\$ 25,000	\$ 25,000	\$ 50,000	\$ 3,800,000	\$ 250,000
2	9046 22 Ave SW, Edmonton AB (Leased Location)	Walls: Concrete & Steel Height: TBA Roof: TBA Heating: Forced Air Year Built: TBA Sprinklers: TBA Total sq. ft.: TBA Insd. Area: 2298 Insured's Occupancy: Office Other Occupants: TBA Upgrades: TBA		\$ 10,000		\$ 10,000					\$ 50,000
TOTALS			\$ 200,000	\$ 50,000	\$ 29,700	\$ 279,700	\$ 25,000	\$ 25,000	\$ 50,000	\$ 3,800,000	\$ 300,000

ALL VALUES SHOWN ARE IN CANADIAN CURRENCY

CONTRACTORS EQUIPMENT SCHEDULE - CANADA

MANTLE MATERIALS GROUP LTD

SEPTEMBER 30, 2020 - SEPTEMBER 30, 2021

NO.	UNIT	DESCRIPTION	SERIAL NUMBER	VALUE	LOSS PAYEE/LESSOR
GRAVEL CRUSHING EQUIPMENT					
1	CY102	1999 Elrus 36x125 Radial Conveyor Aggregate Stacker	ER99PC1524	\$ 50,000	Fiera Private Debt
2	JS100	2002 Elrus M2943 jaw-screener, c/w 22x36 Jaw & 2007 Elrus 5x16 3-deck screener	M2943ER02JP & M416ER0780	\$ 175,000	Fiera Private Debt
3	PV100	2004 Cutler Hammer Aggregate Switch Gear & Elrus 6x10 Control Tower (Housed in Auto Unit PV100 - 1997 Great Dane 53' Trailer)	M3242ER03CT (tower)	\$ 47,000	Fiera Private Debt
4	SB100	2004 Elrus 25 cu yd. Aggregate Surge Bin c/w conveyors	M3461ER04SB	\$ 35,000	Fiera Private Debt
5	CY101	2004 Elrus 36x60 Aggregate Conveyor	M3446ER04PC	\$ 22,500	Fiera Private Debt
6	CY100	2004 Elrus 36x60 Aggregate Conveyor c/w Ramsey belt scale	M3445ER04PC	\$ 22,500	Fiera Private Debt
7	SP100	2004 Elrus 6x20 3 Deck Aggregate Screener Plant c/w conveyors	M3499ER04SP (plant) & M349ER04SC (screen)	\$ 100,000	Fiera Private Debt
8	FS300	2006 Fabtec portable feeder-screener plant c/w Cedar Rapids 6x20 screener	P620332506	\$ 100,000	Fiera Private Debt
9	CY007	2006 Powerscreen 36x80 Telescopic Stacker c/w Diesel Engine Aggregate Stacker c/w Cummins diesel	6002232	\$ 25,000	Fiera Private Debt
10	CY103	2006 Thor T150-8 Telescopic Aggregate Conveyor	1846	\$ 110,000	Fiera Private Debt
11	BF100	2007 Clemro 42x48 Heavy Duty Aggregate Belt Feeder	1463-4120	\$ 75,000	Fiera Private Debt
12	JS200	2008 Clemro jaw-screen plant, c/w 20x54 Jaw Aggregate Crusher & 5x18 2-Deck Screener & conveyors	1498-4127 1496-4103	\$ 225,000	Fiera Private Debt
13	CY001	2008 Kolberg-Pioneer 36x125 Telescopic Aggregate Conveyor	407139	\$ 120,000	Fiera Private Debt
14	CY008	2008 Kolberg-Pioneer 36x70 Aggregate Conveyor	408560	\$ 22,500	Fiera Private Debt
15	CY301	2010 CEC 36x40 Radial Aggregate Stacker	36400706-J	\$ 6,500	Fiera Private Debt
16	CY300	2010 CEC 36x60 Radial Aggregate Stacker	30600606-J	\$ 13,500	Fiera Private Debt
17	BF200	2011 Clemro 42x48 Heavy Duty Aggregate Belt Feeder	1679-4599	\$ 85,000	Fiera Private Debt
18	FS200	2011 Clemro 7x20 Chassis 3 Deck Horizontal Aggregate Feeder-Screener	1682-4471 1681-4600	\$ 180,000	Fiera Private Debt
19	CY201	2014 Tyalta 42x60 Aggregate Transfer Conveyor	144260350	\$ 25,000	Fiera Private Debt
GRAVEL CRUSHING EQUIPMENT TOTAL				\$ 1,439,500	

CONTRACTORS EQUIPMENT SCHEDULE - CANADA

MANTLE MATERIALS GROUP LTD

SEPTEMBER 30, 2020 - SEPTEMBER 30, 2021

NO.	UNIT	DESCRIPTION	SERIAL NUMBER	VALUE	LOSS PAYEE/LESSOR
GENERAL ITEMS					
20	GS900	Caterpillar APS800 Diesel Portable Generator (Housed in Auto Unit Cheetah Trailer s/n: 5EF2GC3008B772456)	0DWB006362007	\$ 100,000	Fiera Private Debt
21	FT400	15,000 L ULC Fuel Tank w/skids	641500334999683T	\$ 27,500	Fiera Private Debt
22	GS104	1996 Grizzly 250KW 480V Diesel Generator Set Skid w/Accessories	250-3	\$ 13,500	Fiera Private Debt
23	EX006	1996 Hitachi EX55UR Mini Excavator	1BG-02075	\$ 15,000	Fiera Private Debt
24	GS102	1998 Stamford 60KW Diesel Generator Set	E980749726	\$ 3,500	Fiera Private Debt
25	WL005	1999 Komatsu WA450-3 Wheel Loader	53372	\$ 25,000	Fiera Private Debt
26	FF003	2001 Caterpillar 535B Grapple Skidder	AAE00408	\$ 35,000	Fiera Private Debt
27	FL001	2001 Toyota &FGU30 6,000 LB Forklift	61607	\$ 6,500	Fiera Private Debt
28	CA001	2001 Travco 12x56 5 Unit Side by Side	S1256110530, 31, 32, 33, & 34	\$ 45,000	Fiera Private Debt
29	GS100	2004 Detroit Diesel Series 60 Diesel Gen. Set (Housed in Auto Unit PV100 - 1997 Great Dane 53' Trailer)	06R0753345	\$50,000	Fiera Private Debt
30	TS001	2004 Precision 95-ton 12x80 Super Duty Aggregate Truck Scale	03-1968	\$ 22,500	Fiera Private Debt
31	EX005	2005 Daewoo 470C-V Crawler Excavator	1357	\$ 35,000	Fiera Private Debt
32	DZ003	2006 Caterpillar D6N LCP Dozer	ALY01814	\$ 55,000	Fiera Private Debt
33	LT004	2006 Terex Amida 20KW S/A Light Tower c/w Isuzu/Stamford	4ZJSL151261524939 & GOF24939	\$ 2,000	Fiera Private Debt
34	WL002	2006 Volvo L180E Wheel Loader	L180EV8273	\$ 60,000	Fiera Private Debt
35	CA002	2007 Bold 12x56 Triple Skidded Wellsite Trailer	T06-012	\$ 35,000	Fiera Private Debt
36	CA005	2007 Britco 6 Man Sleeper Trailer	07066-3	\$ 30,000	Fiera Private Debt
37	CA006	2007 Britco 6 Man Sleeper Trailer	07066-8	\$ 30,000	Fiera Private Debt
38	CA007	2007 Britco 6 Man Sleeper Trailer	07066-9	\$ 30,000	Fiera Private Debt
39	TT011	2007 UBB Service Body model WT2300, Attached to: 2007 International , s/n...6957 (JMB unit TT011)	30-70173	\$ 17,500	Fiera Private Debt
40	WL003	2008 Caterpillar 988H Wheel Loader	CAT0988HCBXY02382	\$ 130,000	Fiera Private Debt
41	MG001	2009 Caterpillar 160M Motor Grader	CAT0160MAB9E00358	\$ 90,000	Fiera Private Debt

CONTRACTORS EQUIPMENT SCHEDULE - CANADA

MANTLE MATERIALS GROUP LTD

SEPTEMBER 30, 2020 - SEPTEMBER 30, 2021

NO.	UNIT	DESCRIPTION	SERIAL NUMBER	VALUE	LOSS PAYEE/LESSOR
42	WL020	2009 Volvo L220F Articulated Wheel Loader w/Groeneveld greaser & 9 1/2 yard Craig bucket	VCEL220FP00006937	\$ 75,000	Fiera Private Debt
43	LT003	2011 Ingersoll-Rand 20kW Model Light Tower	4FVLSBDAX6U36	\$ 1,500	Fiera Private Debt
44	WL016	2012 Caterpillar 246C Skid Steer Loader w/72" General Purpose Bucket	CAT0246CVJAY08691	\$ 22,500	Fiera Private Debt
45	EX007	2012 Caterpillar 345D Excavator Backhoe	CAT0345DJEEH01226	\$ 125,000	Fiera Private Debt
46	WL004	2007 Volvo L180E Wheel loader	L180EV8379	\$ 60,000	Fiera Private Debt
47	WL013	2012 Caterpillar 988H Loader	CAT0988HABXY05172	\$ 225,000	Fiera Private Debt
48	TT014	2013 14' Brutus Service Body c/w crane & compressor (attached to JMB unit TT014)	NM12SB3042	\$ 52,500	Fiera Private Debt
49	TT025	2013 Ramsey Model WC80 40-ton Hydraulic Winch; attached equipment TT025	L15912002	\$ 20,000	Fiera Private Debt
50	TT026	2013 Ramsey Model WC80 40-ton Hydraulic Winch; attached equipment TT026	1XPTD40X6DD197601	\$ 20,000	Fiera Private Debt
51	WL017	2013 Volvo L220G Wheel Loader	VCEL220GC00012444	\$ 175,000	Fiera Private Debt
52	WL018	2013 Volvo L220G Wheel Loader	VCEL220GA00012852	\$ 175,000	Fiera Private Debt
53	RT008	2014 Komatsu HM400 Articulated Haul Truck	3384	\$ 185,000	Fiera Private Debt
54	RT009	2014 Komatsu HM400 Articulated Haul Truck	3576	\$ 185,000	Fiera Private Debt
55	RT010	2014 Komatsu HM400 Articulated Haul Truck	3420	\$ 185,000	Fiera Private Debt
56	LT008	2014 Wacker Neuson 20KW WG/LD Light Tower	20239723	\$ 6,000	Fiera Private Debt
57	LT009	2014 Wacker Neuson 20KW WG/LD Light Tower	20239727	\$ 6,000	Fiera Private Debt
58	LT010	2014 Wacker Neuson 20KW WG/LD Light Tower	20241937	\$ 6,000	Fiera Private Debt
59	GS301	2014 Wacker Neuson G100 80KW/100kVA Aggregate Generator Set	20278208	\$ 13,500	Fiera Private Debt
60	TS003	2015 PGSI 11x90 Aggregate Truck Scale w/Rub Rails	15-589	\$ 40,000	Fiera Private Debt
61	CA008	2015 Stratis 2500-gallon Water Storage Unit	SOSWS035	\$ 5,500	Fiera Private Debt
62	FT100	Envirotank Double-wall Skid 15,000 Litre Fuel Tank		\$ 10,500	Fiera Private Debt
63	TV200	Shopbuilt Skid Mounted Parts Building Trailer		\$ 3,000	Fiera Private Debt
64	LT011	Frontier Light Tower 20kW	S/N PTS2002-33	\$ 2,000	Fiera Private Debt
65	LT012	2006 Ingersoll Rand Light Source 6kW Light Tower	372495UFQC13	\$ 1,500	Fiera Private Debt
66	FT001	1000gal Fuel Tank DW Westeel w/ 3/4 in pump kit FR700V on HD Skid 264683HD	671301089	\$ 5,500	Fiera Private Debt
67	FT002	1000gal Fuel Tank DW Westeel w/ 3/4 in pump kit FR700V on HD Skid 264683HD	671502620	\$ 5,500	Fiera Private Debt

CONTRACTORS EQUIPMENT SCHEDULE - CANADA

MANTLE MATERIALS GROUP LTD

SEPTEMBER 30, 2020 - SEPTEMBER 30, 2021

NO.	UNIT	DESCRIPTION	SERIAL NUMBER	VALUE	LOSS PAYEE/LESSOR
68	FT003	2200L DW Utility Fuel Tank TH5G00		\$ 3,500	Fiera Private Debt
69	FT004	2200L DW Utility Fuel Tank TH5G00		\$ 3,500	Fiera Private Debt
70	DP30	Winch with manufactured deck		\$ 7,500	Fiera Private Debt
GENERAL ITEMS TOTAL				\$ 2,484,000	
MOBILE EQUIPMENT TOTAL				\$ 3,923,500	
Unscheduled Rented, Leased or Borrowed Equipment				\$ 1,000,000	
Miscellaneous Tools & Equipment				\$ 35,000	
TOTAL				\$ 4,958,500	

ALL VALUES SHOWN ARE IN CANADIAN CURRENCY

Annual Adjustment

Annual Rental Equipment - Deposit Upfront, Non Adjustable

Replacement Cost - 5 Years or Newer

FLEET SCHEDULE

MANTLE MATERIALS GROUP LTD

SEPTEMBER 30, 2020 - SEPTEMBER 30, 2021

NO.	UNIT	CATEGORY	YEAR & MAKE	LPN	SERIAL NUMBER	CLASS	USE	RADIUS**	LOSS PAYEE/LESSOR	ATTACHED MACHINERY/OTHER
HEAVY COMMERCIAL - TRUCKS										
1	TT011	HC	2007 International Single Axle (Service Truck)	\$ 15,000	1HTMPAFM677H406957			C	Fiera Private Debt	2007 UBB Service Body (on CEF)
2	TT012	HC	2007 Western Star Tridrive	\$ 45,000	5KXXAM0067PX64941			C	Fiera Private Debt	
3	TT006	HC	2008 Peterbilt 367 Tridrive	\$ 37,500	1NP4X4EX48D737575			C	Fiera Private Debt	
4	TT014	HC	2013 Peterbilt 337 Tandem (Service Truck)	\$ 52,500	2NP2HN8X1DM205263			C	Fiera Private Debt	2013 Brutus Service Body (on CEF)
5	WT001	HC	2014 Peterbilt 348	\$ 105,000	2NP3LJ0X2EM242007			C	Fiera Private Debt	One (1) BBL Water Tank System S/N 14024119
6	TT015	HC	2015 Peterbilt 567	\$ 60,000	1XPCDP0X6FD284564			C	Fiera Private Debt	
7	TT016	HC	2015 Peterbilt 567	\$ 60,000	1XPCDP0X8FD284565			C	Fiera Private Debt	
8	TT017	HC	2015 Peterbilt 567 Tandem	\$ 60,000	1XPCDP0XXFD284566			C	Fiera Private Debt	
9	TT018	HC	2015 Peterbilt 567 Tandem	\$ 60,000	1XPCDP0X1FD284567			C	Fiera Private Debt	
10	TT019	HC	2015 Peterbilt 567 Tandem	\$ 60,000	1XPCDP0X3FD284568			C	Fiera Private Debt	
11	TT021	HC	2015 Peterbilt 567 Tandem	\$ 60,000	1XPCDP0X1FD284570			C	Fiera Private Debt	
12	TT022	HC	2015 Peterbilt 567 Tandem	\$ 60,000	1XPCDP0X3FD284571			C	Fiera Private Debt	
13	TT023	HC	2015 Peterbilt 567 Tandem	\$ 60,000	1XPCDP0X5FD284572			C	Fiera Private Debt	
14	TT024	HC	2015 Peterbilt 567 Tandem	\$ 60,000	1XPCDP0X7FD284573			C	Fiera Private Debt	
15	TT026	HC	2013 Peterbilt 567 Tandem	\$ 70,000	1XPTD40X6DD197601			C	Fiera Private Debt	Winch (on CEF)
16	TT025	HC	2013 Peterbilt tridrive	\$ 75,000	1XPTP4TX9DD184358			C	Fiera Private Debt	Winch (on CEF)
17	TT020	HC	2015 Peterbilt 567 Tandem	\$ 60,000	1XPCDP0X5FD284569			C	Fiera Private Debt	
HEAVY COMMERCIAL - DUMP TRUCKS										
18	TT004	HC	2008 Kenworth T800 Tandem Dump Truck	\$ 55,000	1NKDL40X68J936318			C	Fiera Private Debt	
19	TT008	HC	2009 Kenworth T800 Tridrive Dump Truck	\$ 65,000	1XKDP40X49R941482			C	Fiera Private Debt	
20	TT007	HC	2009 Peterbilt 367 Tandem Dump Truck	\$ 55,000	1NP4TL40X19D778993			C	Fiera Private Debt	
MEDIUM COMMERCIAL - PICKUPS										
21	PT005	MC	2008 Ford F350 XL Flatbed	\$ 5,000	1FTWW31568ED84921			C	Fiera Private Debt	
22	PT006	MC	2008 Ford F350 XLT	\$ 5,000	1FTWW31518EE16691			C	Fiera Private Debt	
23	PT008	MC	2008 Ford F350 XLT	\$ 5,000	1FTWW31598ED98117			C	Fiera Private Debt	
24	PT009	MC	2008 Ford F350 XLT	\$ 5,000	1FTWW31538EE44962			C	Fiera Private Debt	
25	PT020	MC	2012 Ford F350 Super Duty	\$ 15,000	1FT8W3B69CEA94374			C	Fiera Private Debt	
26	PT021	MC	2012 Ford F350 Super Duty	\$ 15,000	1FT8W3B60CEB56034			C	Fiera Private Debt	
LIGHT COMMERCIAL - PICKUPS										
27	PT004	LC	2008 Dodge Ram 2500HD Flatbed	\$ 4,500	3D7KS29D78G155808			C	Fiera Private Debt	
28	PT022	LC	2012 Dodge Ram 2500 4X4	\$ 10,000	3C6TD5J72CG113379			C	Fiera Private Debt	

FLEET SCHEDULE

MANTLE MATERIALS GROUP LTD

SEPTEMBER 30, 2020 - SEPTEMBER 30, 2021

NO.	UNIT	CATEGORY	YEAR & MAKE	LPN	SERIAL NUMBER	CLASS	USE	RADIUS**	LOSS PAYEE/LESSOR	ATTACHED MACHINERY/OTHER
29	PT018	LC	2012 Ford F150 4X4	\$ 12,500	1FTFW1EF2CFA97764			C	Fiera Private Debt	
30	PT019	LC	2012 Ford F150 4X4	\$ 12,500	1FTFW1EFOCA97763			C	Fiera Private Debt	
31	PT015	LC	2012 Ford F250 4X4	\$ 7,000	1FT7W2B69CEB71377			C	Fiera Private Debt	
32	PT034	LC	2019 Ford F150	35,000	1FTFW1E52KFC66669			C	Enterprise Fleet Management	
33	PT016	LC	2012 Ford F250 4X4	\$ 7,000	1FT7W2B61CEB76184			C	Fiera Private Debt	
TRAILERS										
34	TV100	TR	1979 Fruehauf Model FP9F1271 Tandem Trailer	\$ 1,500	DXV180718			C	Fiera Private Debt	
35	TV002	TR	1980 Midland 48' Tandem Van Trailer	\$ 2,500	2ATD10186AM110007			C	Fiera Private Debt	
36	TR003	TR	1994 Arne's Tandem 16 Wheel Jeep	\$ 13,500	AR804203			C	Fiera Private Debt	
37	TR001	TR	1996 Arrow Tandem Jeep	\$ 10,500	2L9CSCB2XT1078252			C	Fiera Private Debt	
38	PV100	TR	1997 Great Dane 53' Trailer	\$ 20,000	1GRAA0625VB117102			C	Fiera Private Debt	Trailer only; see CEF schedule for gen.set & electrical
39	GS900	TR	Cheetah Trailer	\$ 50,000	5EF2GC3008B772456			C	Fiera Private Debt	Trailer only; see CEF schedule for gen.set & electrical
40	TR040	TR	1997 Roadmaster Tridem Trombone Step Deck Trailer	\$ 14,500	2T9DF513XV1011230			C	Fiera Private Debt	
41	TR026	TR	1999 Argo Tandem Enclosed Cargo Trailer	\$ 3,500	2AABDE812X1000122			C	Fiera Private Debt	
42	TV101	TR	1999 Manac Super B Van (Lead)	\$ 5,000	2M5931033X1062925			C	Fiera Private Debt	
43	TV102	TR	1999 Manac Super B Van (Pup)	\$ 5,000	2M5920884X1062932			C	Fiera Private Debt	
44	TR004	TR	2000 Decap Super B Lead Trailer	\$ 15,000	2D9DS4C37YL017498			C	Fiera Private Debt	
45	TR005	TR	2000 Decap Super B Pup Trailer	\$ 12,500	2D9DS2B31YL017499			C	Fiera Private Debt	
46	TR007	TR	2006 Decap Super B Belly Dump Lead Trailer	\$ 25,000	2D9DS4C476L017782			C	Fiera Private Debt	
47	TR009	TR	2006 Decap Super B Belly Dump Lead Trailer	\$ 25,000	2D9DS4C406L017784			C	Fiera Private Debt	
48	TR011	TR	2006 Decap Super B Belly Dump Lead Trailer	\$ 25,000	2D9DS4C446L017786			C	Fiera Private Debt	
49	TR010	TR	2006 Decap Super B Belly Dump Pup Trailer	\$ 20,000	2D9DS2B366L017785			C	Fiera Private Debt	
50	TR008	TR	2006 Decap Super B Belly Dump Pup Trailer	\$ 20,000	2D9DS2B326L017783			C	Fiera Private Debt	
51	TR012	TR	2006 Decap Super B Belly Dump Pup Trailer	\$ 20,000	2D9DS2B3X6L017787			C	Fiera Private Debt	
52	TR028	TR	2006 Doepker Tridem Scissorneck Lowboy Trailer	\$ 35,000	2DESNSZ3161018845			C	Fiera Private Debt	
53	CA003	TR	2007 Arctic Crusher Supervisors Trailer	\$ 15,000	2GRTW30T975073015			C	Fiera Private Debt	
54	CA004	TR	2007 Arctic Crusher Supervisors Trailer	\$ 15,000	2GRTN30T075070316			C	Fiera Private Debt	
55	TR013	TR	2007 Arne's 3160 Tridem End Dump Trailer	\$ 27,500	2A90737307A003528			C	Fiera Private Debt	
56	TR014	TR	2008 Arne's 2010 Quad Wagon Trailer	\$ 20,000	2A92142498A003884			C	Fiera Private Debt	
57	TR015	TR	2008 Arne's 2010 Quad Wagon Trailer	\$ 20,000	2A92142408A003885			C	Fiera Private Debt	
58	TR020	TR	2008 Arne's Tridem End Dump Trailer	\$ 32,500	2A90737359A003298			C	Fiera Private Debt	
59	TR024	TR	2008 Arne's Tridem End Dump Trailer	\$ 32,500	2A90737339A003302			C	Fiera Private Debt	

FLEET SCHEDULE

MANTLE MATERIALS GROUP LTD

SEPTEMBER 30, 2020 - SEPTEMBER 30, 2021

NO.	UNIT	CATEGORY	YEAR & MAKE	LPN	SERIAL NUMBER	CLASS	USE	RADIUS**	LOSS PAYEE/LESSOR	ATTACHED MACHINERY/OTHER
60	TR027	TR	2008 Doepker Tridem End Dump Trailer	\$ 32,500	2DEGEDZ3381023677			C	Fiera Private Debt	
61	TR019	TR	2008 Load Max 20' Pintle Hook Tandem Trailer	\$ 4,000	5L8PH202681013062			C	Fiera Private Debt	
62	TR025	TR	2009 Arne's Quad Wagon Trailer	\$ 25,000	2A92142499A003238			C	Fiera Private Debt	
63	TR022	TR	2008 Arne's model 2010 tridem end dump	\$ 32,500	2A907373X9A003300			C	Fiera Private Debt	
64	TR021	TR	2009 Arne's Tridem End Dump Trailer	\$ 32,500	2A90737379A003299			C	Fiera Private Debt	
65	TR023	TR	2009 Arne's Tridem End Dump Trailer	\$ 32,500	2A90737319A003301			C	Fiera Private Debt	
66	TR042	TR	2013 Arnes Tridem Scissorneck Lowboy Trailer	\$ 50,000	2A9125335DA003461			C	Fiera Private Debt	
67	TR043	TR	2013 Lodeking Tridem Scissorneck Lowboy Trailer	\$ 50,000	2LDS5331DS055478			C	Fiera Private Debt	
68	TR044	TR	2015 Arne's Lowboy 50T Tridem Trailer	\$ 47,500	2A9105630FA003016			C	Fiera Private Debt	
69	TR032	TR	2015 Arne's Tridem End Dump Trailer	\$ 45,000	2A9073731FA003598			C	Fiera Private Debt	
70	TR034	TR	2015 Arne's Trombone End Dump Trailer	\$ 50,000	2A9074131FA003583			C	Fiera Private Debt	
71	TR035	TR	2015 Arne's Tridem End Dump Trailer	\$ 45,000	2A9073730FA003575			C	Fiera Private Debt	
72	TR036	TR	2015 Arne's Tridem End Dump Trailer	\$ 45,000	2A9073732FA003576			C	Fiera Private Debt	
73	TR037	TR	2015 Arne's Tridem End Dump Trailer	\$ 45,000	2A9073738FA003596			C	Fiera Private Debt	
74	TR038	TR	2015 Arne's Tridem End Dump Trailer	\$ 45,000	2A907373XFA003597			C	Fiera Private Debt	
75	TR039	TR	2015 Arne's Tridem End Dump Trailer	\$ 45,000	2A9073733FA003599			C	Fiera Private Debt	
TOTAL				\$ 2,426,000						

COVERAGE AND DEDUCTIBLES ARE IN ACCORDANCE WITH THE SCOPE OF INSURANCE COVERAGES

ALL VALUES SHOWN ARE IN CANADIAN CURRENCY

Category Legend:

- HC - Heavy Commercial
- MC - Medium Commercial
- LC - Light Commercial
- R - Recreational
- TR - Trailers

****Radius**

- A - operating within a 25 mile (40 km) radius
- B - operating within a 50 mile (80 km) radius
- C - operating within a 100 mile (160 km) radius
- D - operating over a 100 mile (160 km) radius within Canada
- E - operating in USA

Security

Please check the security below carefully and contact us immediately if you have any queries.

MANTLE MATERIALS GROUP LTD.

B0831EN0022620

12 months at 16 October 2020

<u>Market:</u>		<u>Signed Line:</u>
Lloyd's Syndicate ASC 1414	Ascot	50.000%
Lloyd's Syndicate BAR 1955	Barbican	50.000%
Total:		<u>100.000%</u> of Whole

Bishopsgate Insurance Brokers Limited



Peter Burton

BLOCKED ACCOUNTS AGREEMENT

THIS AGREEMENT dated May 28 , 2021.

A M O N G :

MANTLE MATERIALS GROUP, LTD.
as the “**Company**”

- and -

**FIERA PRIVATE DEBT FUND V LP, by its general partner,
FIERA PRIVATE DEBT FUND GP INC. and FIERA
PRIVATE DEBT FUND VI LP, by its general partner,
FIERA PRIVATE DEBT FUND GP INC.**
collectively, as the “**Secured Party**”

- and -

THE TORONTO-DOMINION BANK
as the “**Bank**”

RECITALS

- A. The Company and the Secured Party, amongst others, are party to a Loan Agreement dated as of April 26, 2021 (as amended, supplemented, restated or otherwise modified from time to time, the “**Loan Agreement**”).
- B. As required by the Loan Agreement, the Company has granted security to the Secured Party and, pursuant to the Loan Agreement, the Secured Party requires the implementation of the cash management arrangements provided for in this Agreement.

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement:

- (a) “**Activation Date**” means the later of (i) date which is three (3) Business Days after the date upon which the Secured Party delivers an Activation Notice to the Bank and (ii) the date upon which the Secured Party has satisfied the Bank's anti-money laundering and know your customer requirements.
- (b) “**Activation Notice**” means a written notice from the Secured Party to the Bank in the form of Schedule A hereto.

- (c) **“Blocked Accounts”** has the meaning set forth in Section 2.1(b).
- (d) **“Branch of Account”** means the branch of the Bank located at 10205 – 101 Street, Edmonton, AB T5J 2Y8.
- (e) **“Business Day”** means any day on which the Branch of Account is open for business to the public.
- (f) **“Chargebacks”** has the meaning set forth in Section 5.3.
- (g) **“Cheques”** means all cash, cheques, money orders, wire transfers, notes, drafts and other orders for payment of money or other remittances payable to the Company.
- (h) **“Claim”** has the meaning set forth in Section 6.1.
- (i) **“CPA Rules”** means the rules established from time to time by the Canadian Payments Association to govern the clearing and settlement of payment items within the national clearing and settlement system.
- (j) **“Declared Default”** has the meaning given to that term in the General Security Agreement.
- (k) **“fees and expenses”** has the meaning set forth in Section 5.2.
- (l) **“General Security Agreement”** means the general security agreement entered into between the Company, as grantor and the Secured Party, as lenders dated as of April 26, 2021.
- (m) **“Receivables”** means all of the Company's present and future accounts, accounts receivable, debts and book debts of any nature or type.
- (n) **“Rescission Notice”** has the meaning set forth in Section 3.3.

Section 1.2 Interpretation

In interpreting this Agreement, the headings and the division of the Articles and Sections are inserted for convenience only and are to be ignored in construing this Agreement; all references to Articles, Sections, subsections, clauses and Schedules are to Articles, Sections, subsections, clauses and Schedules of and to this Agreement; the words “hereto,” “herein,” “hereof,” “hereunder,” “this Agreement” and similar expressions mean this Agreement as a whole and not any particular Article, Section, subsection or Schedule unless expressly so stated; grammatical variations of any term defined herein shall have similar meanings and words importing the singular shall include the plural and vice versa; reference herein to any agreement or other document shall be deemed to include reference to such agreement or other document as the same may from time to time be amended, supplemented, restated or otherwise modified.

ARTICLE 2
ACKNOWLEDGEMENT OF SECURITY

Section 2.1 Acknowledgement of Security

The Company acknowledges that it has granted to, and has created in favour of, the Secured Party a first-priority, perfected security interest in all of its present and after-acquired property including, without limitation:

- (a) its interest in all Cheques and other remittances received by the Company; and
- (b) the following depository accounts in the name of the Company:

<u>Account Name</u>	<u>Account Number / Branch</u>
Mantle Materials Group, Ltd/ o/a Mantle Materials Group	Account 0701 - 5367152 / Branch 8238

(the “**Blocked Accounts**”), including all sums now on deposit therein or payable thereto and any interest accrued or payable on the credit balances therein.

ARTICLE 3
BLOCKED ACCOUNTS OPERATION

Section 3.1 Instructions

Prior to the Activation Date, the Company shall be authorized to operate all accounts including the Blocked Accounts alone in the usual course and without prior notice to or consent of the Secured Party. Commencing on the Activation Date: (i) the Blocked Accounts shall be subject to instructions only from the Secured Party, which alone shall have all authority and right in connection with the Blocked Accounts, and (ii) the Company shall have no rights in connection with the Blocked Accounts unless and until a Rescission Notice (as defined below) is delivered to the Bank hereunder and such Rescission Notice becomes effective. The Bank shall have the right to rely and act upon the instructions of any person who the Bank believes is a person that the Company (prior to the Activation Date) or the Secured Party (on and after the Activation Date) has identified in writing from time to time to the Bank as being a person authorized to give instructions regarding the Blocked Accounts to the Bank.

Section 3.2 Delivery of Activation Notice

The Secured Party agrees with the Company that it shall not deliver any Activation Notice to the Bank until a Declared Default has occurred. Following the occurrence and continuation of a Declared Default, the Secured Party shall be entitled to deliver to the Bank an Activation Notice. Any Activation Notice delivered by the Secured Party to the Bank shall be the Bank's sole and sufficient authority to act on such Activation Notice, and the Bank shall have no obligation or duty to the Company or any other person to verify or confirm that the Secured Party is entitled to deliver an Activation Notice before so acting.

Section 3.3 Rescission of Activation Notice

Notwithstanding any other provision of this Agreement, the Secured Party may, at any time after the delivery of an Activation Notice, deliver a notice to the Bank rescinding such Activation Notice (a “**Rescission Notice**”) and, three (3) Business Days following receipt of a Rescission Notice, this Agreement shall continue as though no Activation Notice had been delivered, provided that nothing in this Section 3.3 shall preclude the Secured Party from delivering a subsequent Activation Notice.

Section 3.4 Web Business Banking

From and after the Activation Date, the Company hereby irrevocably and unconditionally covenants and agrees to provide the Secured Party with access to its Web Business Banking Wire Payments Service with the Bank and directs the Bank to provide the Secured Party with such access and hereby further consents to the Secured Party initiating wire payments from the Blocked Accounts to the Secured Party’s account(s) and the Bank is hereby authorized and directed to assist the Secured Party in connection with same. From and after the Activation Date, the Company hereby further authorizes and directs the Bank to provide the Secured Party with electronic access to balance and transaction reporting of the Blocked Accounts and any other information concerning the Blocked Accounts the Secured Party may require, including the ability to print any such information. On the Activation Date, the Bank hereby further agrees to change the Company’s access to the Blocked Accounts to “read-only” and the Company hereby consents to same and directs the Bank to change such access accordingly. The Bank shall have no liability to the Company for any claims that may arise as a result of providing the Secured Party with such access upon the Activation Date. The transfers of amounts from the Blocked Accounts to the Secured Party’s account(s) shall be effected in accordance with the Bank’s usual banking practices provided however, that if such amounts are in any currency other than Canadian Dollars, such amounts will be converted at the then applicable exchange rate applied by the Bank into Canadian Dollars.

Section 3.5 Payment Not Realization

The Company and Secured Party acknowledge and agree that:

- (a) the actions and proceedings contemplated by this Article 3 are instrumental to the operation of the cash management system that is required by the Loan Agreement; and
- (b) any action or proceeding pursuant to this Article 3 shall not be considered as a realization on, or enforcement of, security or a demand for payment under the Loan Agreement but rather, following the Activation Date, among other things, a standing irrevocable direction by the Company and the Secured Party to the Bank to thereafter transfer on the direction of the Secured Party all credit balances in the Blocked Accounts and otherwise operate the Blocked Accounts as set forth in this Article 3.

Section 3.6 Wire Transfers

The Bank shall apply and credit to the applicable Blocked Account all wire transfers directed to that Blocked Account in accordance with the Bank’s standard procedures.

**ARTICLE 4
RECORDS AND INFORMATION**

Section 4.1 Records

The Bank shall maintain a record of all money, Cheques and other remittance items deposited in and transfers to the Blocked Accounts in accordance with the Bank's standard procedures.

Section 4.2 Provision of Information

The Bank shall provide to the Company and, upon request by the Secured Party, the Company shall provide to the Secured Party, at the Company's expense, monthly statements summarizing the daily activity in each Blocked Account. The Bank shall also provide to the Secured Party, at the Company's expense, such other information compiled by the Bank with respect to the activity, on a daily, weekly or monthly basis, in or with respect to each Blocked Account as the Secured Party may reasonably request in writing from time to time. The Company hereby authorizes the Bank to release information as contemplated herein and waives any right to confidentiality in respect of any information released by the Bank to the Secured Party pursuant to this Section 4.2.

**ARTICLE 5
FEES, EXPENSES, CHARGEBACKS AND INDEMNITY**

Section 5.1 Waiver of Bank's Rights

Except as expressly provided in this Agreement, the Bank waives and agrees not to assert, claim or endeavour to exercise any right of deduction, set-off, pledge or other right to claim with respect to the Blocked Accounts, or the funds therein.

Section 5.2 Company's Fee Obligations

The Company hereby agrees that it is responsible for all normal and customary fees and expenses established by the Bank from time to time for the establishment and operation of this Agreement and the Blocked Accounts (all such amounts, the "**fees and expenses**"). If any of the fees and expenses are not paid by the Company when due, the Bank shall be entitled to automatically debit, by mechanical, electronic or manual means, any of the Blocked Accounts for such fees and expenses.

Section 5.3 Chargebacks

Notwithstanding Section 5.1, the Bank shall be entitled to automatically debit, by mechanical, electronic or manual means, any one or more of the Blocked Accounts at any time and from time to time solely for:

- (a) the amount of any Cheque deposited in a Blocked Account after the date hereof which is subsequently returned to the Bank for any reason whatsoever; and
- (b) the amount of any required adjustments due to clerical errors or calculation errors directly related to any Blocked Account

((a) and (b) collectively, “**Chargebacks**”),

and provided, further, that if after an Activation Date the Bank has transferred funds on deposit in a Blocked Account at the direction of the Secured Party in respect of which the Bank is entitled to a Chargeback and the funds in the Blocked Accounts are insufficient to cover the amount of the relevant Chargeback, the Secured Party shall pay the Bank the amount of the Chargeback not recoverable from the Blocked Accounts, within three (3) Business Days of receipt by the Secured Party of a statement signed by the Bank confirming the details of such Chargeback and the Bank’s entitlement to such Chargeback under this Section 5.3 in form reasonably satisfactory to the Secured Party.

Section 5.4 Indemnity

The Company and the Secured Party, jointly and severally, hereby agree to pay, indemnify and hold harmless the Bank from and against any and all loss, liability, cost, claim and expense incurred by it with respect to the performance of this Agreement by the Bank or any of the Bank’s directors, officers or employees, unless arising from its or their own violation of law, gross negligence or wilful misconduct and excluding any loss, liability, cost, claim and expense for indirect, special or consequential damages.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Adverse Claims

In the event that the Bank shall receive a court order or other statutory legal claim against any of the Blocked Accounts or any sums on deposit therein, whether such claim shall have arisen by tax lien, execution of judgment, statutory attachment, garnishment, levy, claim of a trustee in bankruptcy, debtor-in-possession, court appointed receiver, or other judicial or regulatory order or process (each, a “**Claim**”), the Bank may, in addition to other remedies it possesses under this Agreement or at law or in equity: (a) suspend disbursements from the Blocked Accounts without any liability until the Bank shall have received an appropriate court order or other assurances reasonably acceptable to the Bank establishing that funds may continue to be disbursed according to instructions then applicable to the Blocked Accounts, and/or (b) interplead the funds in the Blocked Accounts in respect of the subject matter of any such Claim into court. The Bank’s costs, expenses and reasonable legal fees incurred in connection with any such Claim shall be reimbursed to the Bank by the Company. Upon request, the Bank shall provide a copy of any such court order or other statutory legal claim to the Company and the Secured Party.

If a bankruptcy or insolvency proceeding were commenced by or against the Company, the Bank shall be entitled, without any liability, to refuse to (a) permit withdrawals or transfers from the Blocked Accounts or (b) accept or comply with the notice thereafter received by the Bank, until the Bank shall have received an appropriate court order or other assurances reasonably acceptable to the Bank establishing that (i) continued withdrawals or transfers from the Blocked Accounts or honoring or following any instruction from the Secured Party are authorized and shall not violate any law, regulation, or order of any court and (ii) the Bank shall have received adequate protection

for its right to set off against or charge the Blocked Accounts or otherwise be reimbursed for fees and expenses and Chargebacks.

Section 6.2 Power of Attorney

The Company constitutes and irrevocably appoints the Secured Party its true and lawful attorney, with full power of substitution, without limitation, to, from and after the Activation Date, demand, collect, receive and sue for all amounts which may become due or payable in respect of any Blocked Account and execute all withdrawal receipts or other orders for the Company, in its own name or in the Company's name or otherwise, which the Secured Party deems necessary or appropriate to protect and preserve its right, title and interest in any Blocked Account and, otherwise, to carry out the provisions and purposes of this Agreement.

Section 6.3 Limitation of the Bank's Liability

The Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Blocked Accounts with the degree of skill and care that the Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, it is agreed by the parties hereto that the Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own violation of law, gross negligence or wilful misconduct. In no event shall the Bank be liable for losses or delays resulting from computer malfunctions or interruption of communication facilities which are beyond the Bank's control or from other causes which are beyond the Bank's control or from force majeure or for indirect, special or consequential damages. With respect to any instructions given or requests made by either of the Company or the Secured Party in connection with this Agreement, in no event shall the Bank be liable for any failure to comply with or satisfy the same if compliance with or satisfaction of the same would have resulted in or may potentially result in the Bank contravening or failing to comply with any standard or customary banking practice in the industry or any of the Bank's usual banking practices, or any law, regulation, order, rule (including, without limitation, any of the CPA Rules), or other matter or thing whatsoever having the force of law. The Bank may be unable to reverse, unwind, retract, abandon or otherwise cancel any instructions or actions or processes undertaken in respect of instructions given to the Bank in accordance with this Agreement once such instructions have been given to the Bank. In such circumstances, the Company and the Secured Party both acknowledge and agree that the Bank shall have no liability to either of them for any inability or failure, or for any resulting damages suffered thereto, to comply with a request to cancel or revoke an instruction previously given to the Bank by either the Company or the Secured Party.

Section 6.4 Collection of Accounts

Notwithstanding anything in this Agreement to the contrary, the Company shall remain liable under each Receivable to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Receivable. None of the Secured Party or the Bank shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising out of any of this Agreement or any other agreement or the receipt by the Secured Party or the Bank of any

payment relating to such Receivable nor shall the Secured Party or the Bank be obligated in any manner to perform any of the obligations of the Company under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment (except as set out in the Loan Agreement), to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Receivable (or any agreement giving rise thereto) to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been hypothecated to it, or in which a security interest may have been created in its favour, or to which it may be entitled at any time or times.

Section 6.5 Termination

- (a) Unless terminated in accordance with the terms of this Section 6.5, this Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms until the obligations of the Company to the Secured Party under the Loan Agreement have been paid and performed in full and the Secured Party has no further obligation to make any further advances to the Company under the Loan Agreement.
- (b) The Secured Party may terminate this Agreement at any time upon thirty (30) days' prior written notice to the Bank and the Company.
- (c) The Bank may terminate this Agreement upon providing fifteen (15) days' prior written notice to the Secured Party and the Company, provided that such termination shall not be effective until the earlier of (a) such time as the Secured Party provides written confirmation to the Bank that the Company and the Secured Party have entered into a blocked account agreement in substantially the form of this Agreement, or in such form as may be acceptable to the Secured Party and the Company, with a replacement bank satisfactory to the Company and the Secured Party, or (b) the end of such fifteen (15) day period. In the event of termination of this Agreement pursuant to this Section 6.5(c), the Bank shall close the Blocked Accounts concurrently with the termination of this Agreement, and the Company hereby irrevocably instructs the Bank to transfer all amounts in the Blocked Accounts to such persons and in such amounts as the Secured Party may direct, and this shall be the Bank's sole and sufficient authority for so doing.
- (d) The obligations set forth in Section 5.3, Section 5.4 and Section 6.5 shall survive termination of this Agreement.

Section 6.6 Notices

Except as otherwise provided herein, any notice to the Company, the Bank or the Secured Party under the provisions hereof shall be given by courier delivery or email transmission and if so given shall be deemed to have been received on the date given if given between 9:00 a.m. and 5:00 p.m. (local time at the Branch of Account) on a Business Day and otherwise on the first (1st) Business Day after giving such notice. Each party may from time to time notify each other party of a change of address or email address.

- (a) Notices to the Company shall be addressed as follows:

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

Attention: Byron Levkulich, CFA, CPA, Director
Email address: Byron.Levkulich@RLHoldings.com

- (b) Notices to the Bank shall be addressed as follows:

The Toronto-Dominion Bank
2601 TD Tower
10088-102 Avenue NW
Edmonton, AB T5J 2Z1

Attention: Curtis Neumann
Telephone: 780-448-8155
Email address: curtis.neumann@td.com

- (c) Notices to the Secured Party shall be addressed as follows:

Fiera Private Debt
20 Adelaide Street East, Suite 1500
Toronto, Ontario
M5C 2T6

Attention: Stephen Zagrodny, Senior Director, Corporate &
Infrastructure Debt Financing
Email address: szagrodny@fieracapital.com

Section 6.7 Governing Law

This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta in respect of all matters pertaining to this Agreement.

Section 6.8 Amendments

This Agreement may only be amended or modified by written instrument signed by the parties hereto.

Section 6.9 Severability

Any provision of this Agreement that is or becomes unenforceable shall be unenforceable to the extent of such unenforceability without invalidating the remaining provisions hereof. To the extent

permitted by applicable law, each of the parties hereby waives any provision of law that renders any provision hereof unenforceable in any respect.

Section 6.10 Authorization

For the purposes of this Agreement, any attorney, officer, employee or agent of the Secured Party shall be authorized to act and to give instructions and notice on behalf of the Secured Party hereunder and any attorney, officer, manager or agent of the Bank shall be authorized to act and give instructions and notice on behalf of the Bank hereunder.

Section 6.11 Remedies Cumulative

The rights enumerated in this Agreement are in addition to and not in substitution for any other rights of the Secured Party pursuant to any security held by the Secured Party and except as otherwise contemplated in this Agreement, nothing in this Agreement is to be interpreted as restricting the rights of the Secured Party pursuant to any security held by the Secured Party.

Section 6.12 Further Assurances

The parties shall at all times do, execute, acknowledge and deliver such acts, deeds and agreements as may be reasonably necessary or desirable to give effect to the terms of this Agreement.

Section 6.13 No Fiduciary Obligations

Nothing in this Agreement shall constitute any party to this Agreement a fiduciary in relation to any other party to this Agreement.

Section 6.14 Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns; provided that this Agreement may not be assigned by any of the parties hereto without the prior written consent of the Bank.

Section 6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 6.16 Electronic Execution

Any party may deliver an executed signature page to this Agreement by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the Agreement by such party.

[SIGNATURE PAGE FOLLOWS]

The parties have executed this Agreement as of the date first written above.

THE TORONTO-DOMINION BANK

By: *Chris Neuman*

Name:

Title: *Vice President*

FIERA PRIVATE DEBT FUND V LP
by its general partner **FIERA PRIVATE DEBT
FUND GP INC.**

By:

Name:

Title:

FIERA PRIVATE DEBT FUND VI LP
by its general partner **FIERA PRIVATE DEBT
FUND GP INC.**

By:

Name:

Title:

The parties have executed this Agreement as of the date first written above.

THE TORONTO-DOMINION BANK

By:

Name:

Title:

FIERA PRIVATE DEBT FUND V LP
by its general partner **FIERA PRIVATE DEBT
FUND GP INC.**

By: *Philip S. Robson*

Name: Philip S. Robson

Title: A.S.O.

FIERA PRIVATE DEBT FUND VI LP
by its general partner **FIERA PRIVATE DEBT
FUND GP INC.**

By: *Philip S. Robson*

Name: Philip S. Robson

Title: A.S.O.

MANTLE MATERIALS GROUP, LTD.

By: *Byron Levkulich*
Byron Levkulich (Apr 13, 2021 18:40 MDT)

Name: Byron Levkulich

Title: Director

**SCHEDULE A
ACTIVATION NOTICE**

To: The Toronto-Dominion Bank (the “**Bank**”)

Re: Blocked Accounts Agreement dated _____, 2021 among Mantle Materials Group, Ltd. (the “**Company**”), Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc. and Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc. (collectively, the “**Secured Party**”) and the Bank (as amended, restated, supplemented or otherwise modified from time to time, the “**Blocked Accounts Agreement**”).

Terms with initial capital letters in this notice and not otherwise defined herein shall have the meanings given to them in the Blocked Accounts Agreement.

The Secured Party hereby notifies the Bank that, pursuant to Article 3 of the Blocked Accounts Agreement, commencing on the Activation Date, the Secured Party shall have access to the Company’s Web Business Banking Wire Payments Service with the Bank and shall be entitled to initiate wire payments from the Blocked Accounts and to any other rights of access to the Blocked Accounts as provided in Article 3 of the Blocked Accounts Agreement.

Dated _____, 20_____.

FIERA PRIVATE DEBT FUND V LP
by its general partner **FIERA PRIVATE**
DEBT FUND GP INC.

By:

Name:

Title:

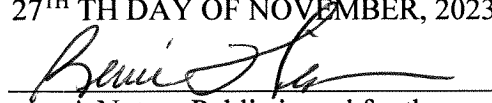
FIERA PRIVATE DEBT FUND VI LP
by its general partner **FIERA PRIVATE**
DEBT FUND GP INC.

By:

Name:

Title:

THIS IS EXHIBIT "J" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

LOAN AGREEMENT
("Agreement")

This Agreement dated June 10, 2022, is an agreement between **CRESTMARK, A DIVISION OF METABANK, NATIONAL ASSOCIATION** ("Crestmark"), and **MANTLE MATERIALS GROUP, LTD.**, an Alberta corporation ("Borrower"). In this Agreement, Crestmark and Borrower are collectively the "Parties". Any person who guarantees the obligations of Borrower (each a "Guarantor") is required to sign this Agreement. The Parties have the addresses shown on the schedule (the "Schedule") which is attached to this Agreement. These are the addresses of the Parties for all purposes and may be changed by one party giving notice to the other party in writing of the new address.

1. **PURPOSE.** The purpose of this Agreement, including the Schedule, is to set forth the terms and conditions of the revolving line of credit loans made from time to time by Crestmark to Borrower (collectively, the "Loan") and the obligations of Borrower. The Schedule is an integral part of this Agreement. This Agreement (including the Schedule), the promissory note ("Note") to be signed by Borrower, any security agreement to be signed by Borrower, any mortgage to be signed by Borrower, any guarantee(s) and any other documents now or hereafter signed by any of the Parties in connection with this Agreement, the Loan or any document issued by Crestmark or the bank holding the lockbox ("Lockbox Bank"), including subordination agreements or intercreditor agreements, are also all part of the agreement between the Parties and are (as each of the foregoing may be amended, amended and restated or otherwise modified from time to time) referred to collectively as the "Loan Documents".

2. **LOAN; LOAN ADVANCES.**

A. Any disbursement of money or advance of credit by Crestmark, including but not limited to amounts advanced for the payment of interest, fees, expenses and amounts necessary to protect, maintain and preserve Crestmark's Collateral under the Loan Documents ("Protective Disbursements"), is individually referred to as an "Advance" and collectively referred to as the "Advances". Whether Crestmark makes an Advance is in Crestmark's sole discretion. If an Advance is made, it will be made in accordance with the advance formula set forth in the Schedule ("Advance Formula"); but not at any time to exceed the maximum amount set forth on the Schedule ("Maximum Amount"), provided that Crestmark may choose to make Protective Disbursements in excess of the Maximum Amount or the Advance Formula in its sole discretion. Each time Crestmark makes an Advance, including a Protective Disbursement, the Advance will be debited against an account in Borrower's name on Crestmark's books ("Loan Account"), and each payment will be credited against the Loan Account in the manner described in this Agreement. All Advances and payments from Crestmark to Borrower, and all payments from Borrower to Crestmark, shall be in the lawful currency of Canada ("Canadian Dollars" or "C\$").

B. The total amount Borrower owes to Crestmark will be the aggregate of the Advances made by Crestmark, the expenses and fees set forth in the Schedule and any and all costs incurred by Crestmark (including reasonable legal fees), and interest at the rate set forth in the Note on all amounts advanced (together with all other obligations of Borrower under the Loan Documents, the "Obligations").

C. Borrower must repay all Advances with respect to the Loan with interest, which is due monthly as specified in the Note, along with all other fees and expenses of Crestmark set forth herein or in the Schedule. Crestmark may, in its sole discretion, collect any Obligations due Crestmark by (i) directly applying any funds in the Lockbox Account, as defined in paragraph 5 below, to the Obligations (ii) directly applying funds from any reserve to the Obligations, (iii) collecting the Obligations directly from Borrower; or (d) otherwise collecting the Obligations. Borrower understands that all the Obligations are repayable at any time in full or in part upon demand by Crestmark. Crestmark may make demand for partial payments and such demand will not preclude Crestmark from demanding payment in full at any time.

D. Borrower must comply with its representations, promises, covenants and reporting requirements set forth in this Agreement, in the Schedule and in the other Loan Documents. Borrower's failure to do any of the foregoing, or if the Borrower or any Guarantor becomes insolvent, commits an act

of insolvency or makes a proposal (or a proposal is made by any creditor) under any applicable bankruptcy or insolvency laws, is a default ("Default"). Crestmark, in its sole discretion, may declare all or any part of Obligations to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if Crestmark considers or deems itself insecure. The demand nature of the Obligations is not modified by reference to a Default in this Agreement or the other Loan Documents and any reference to a Default is for the purpose of permitting Crestmark to exercise its remedies for Default, including charging interest at the Extra Rate provided, and as defined, in the Note.

E. The aggregate amount of all Advances, plus the expenses and fees set forth in the Schedule, any and all costs incurred by Crestmark (including reasonable legal fees), and interest at the rate set forth in the Note on all amounts advanced and any other obligations whatsoever owed to Crestmark (the "Loan Amount"), may not, at any time, exceed the lesser of (a) the Maximum Amount or (b) the Advance Formula, and Borrower understands that if at any time the Loan Amount exceeds the lesser of (a) the Maximum Amount and (b) the Advance Formula, it shall repay that amount immediately, whether or not demand to repay the whole of the Obligations has been made. Protective Disbursements must be immediately repaid whether or not the lesser of the Maximum Amount or the Advance Formula has been exceeded.

3. **RESERVES.** If Crestmark believes in its sole discretion that the prospect for repayment of the Obligations is impaired or that its Collateral margin is insufficient, Crestmark may establish cash reserves and credit balances to protect its interests and the repayment of the Obligations. The reserve may only be established by reducing the Advance Formula to achieve the target reserve level, withholding monies due Borrower from any payments Crestmark receives, from a cash payment from Borrower or any other method Crestmark chooses. Any money in a reserve account, whether or not it is a cash reserve, will not earn interest for Borrower, and Crestmark may apply the funds in the reserve account to reduce the Obligations at any time Crestmark elects.
4. **FEES AND EXPENSES.** In connection with the Loan there are several types of fees that may be charged and Borrower may be required to maintain a minimum Loan balance. Such fees and requirements are set forth in the Schedule. In addition, all expenses incurred by Crestmark in connection with the Loan, any Advance, collection of the Obligations, inspection, and examination are to be paid by Borrower, except as set forth in the Schedule.
5. **LOCKBOX.** Borrower must immediately notify and direct all persons who are obligated on accounts ("Account Debtors") and any other person or party that is liable to Borrower (collectively a "Debtor") to remit all payments due to Borrower to the lock box address or pursuant to the wire transfer or Automated Clearing House ("ACH") instructions set forth in the Schedule (the "Lockbox Account"). The remit to address on all documents related to such accounts, including invoices, purchase orders, or contracts ("Documents") must be the Lockbox Account. At Crestmark's request, all Documents must be marked by Borrower to show assignment to Crestmark, and Borrower must notify each Account Debtor by mail that the Account has been assigned to Crestmark and that all payments on the Account, whether made by mail or electronically or otherwise must be made payable to Borrower or Crestmark, at Crestmark's sole discretion, to the Lockbox Account or other address provided by Crestmark in writing. The language used in such notices shall be approved by Crestmark in writing. Crestmark may at any time and from time to time, and at its sole discretion, notify any Debtor or third party payee to make payments payable directly to Crestmark or to notify Debtor of the assignment to Crestmark. All expenses for notification of each Account Debtor will be paid by Borrower.

If, notwithstanding the notice to Debtors, Borrower receives any funds from a Debtor, including any cash, cheques, drafts or wire transfers from the collection, enforcement, sale or other disposition of the Collateral (defined below), whether derived in the ordinary course of business or not, or if Borrower receives any proceeds of insurance, tax refunds or any and all other funds of any kind, Borrower shall hold such funds in trust for Crestmark, shall not mix such funds received with any other funds, and shall immediately deposit such funds in the Lockbox Account in the form received. That means if the funds are received by mail, the Debtor cheques will be sent to the Lockbox Account uncashed, and if the funds are received electronically, the funds will be transferred immediately to the Lockbox Account electronically. Crestmark

will have sole possession and control over the Lockbox Account. The Lockbox Bank will process all deposits and Borrower has no right to the Lockbox Account, it belongs to Crestmark. Crestmark is the owner of all deposits in the Lockbox Account, and has no duty as to collection or protection of funds as long as it is not grossly negligent or commits actual fraud. All expenses plus any applicable administration and servicing fees of the Lockbox Account will be paid by Borrower.

6. **LOAN ACCOUNT.** All of the Obligations which are owed by Borrower will be shown in the Loan Account and Borrower will receive a monthly statement either by mail, electronically or via access to the Crestmark online system at Crestmark's sole discretion. The statement is binding on Borrower unless Borrower provides a written objection to Crestmark that is actually received by Crestmark within fifteen (15) business days of the time the statement is provided or made available to Borrower.

7. **PAYMENTS.** Should a cheque or other credit instrument not be collected after Borrower has been given credit for such payment, then the credit will be reversed and a fee charged at Crestmark's then standard rate. Crestmark, at its sole discretion, may establish reserves as set forth above or not apply a payment that it reasonably believes may be returned unpaid for any reason or disgorged due to a preference claim or garnishment, and in such event the Maintenance Fee (as defined in the Schedule) will still be payable. In the event that any payment received by Crestmark is sought to be recovered by or on behalf of the payer (including a trustee in bankruptcy or assignee for the benefit of creditors), then Borrower agrees to immediately reimburse Crestmark on demand for any amount so recovered and all of Crestmark's expenses in connection with any such proceeding, including reasonable attorneys fees. This provision shall survive termination of this Agreement. Any payments received by Crestmark shall be applied to the Obligations in whatever order Crestmark determines in its reasonable discretion.

8. **SECURITY INTEREST.**

A. Borrower agrees to grant to Crestmark a security interest in all of its present and after-acquired personal property, now existing or hereafter arising, wherever located (the "Collateral") to secure repayment of the Obligations ("Security Interest") and agrees to provide Crestmark with a Security Agreement in Crestmark's standard form.

B. Borrower gives Crestmark all of the rights of a secured party under the Personal Property Security Act of the province where the Collateral may be located as amended from time to time, which Act or Acts, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "PPSA". Borrower grants Crestmark the authority to file all appropriate documentation for Crestmark to perfect its security interest in the Collateral, including PPSA financing statements, as well as PPSA financing change statements and amendments as may be required or desirable from time to time to perfect or protect the Security Interest. All expenses of Crestmark relating to searching, filing or protecting the Security Interest shall be deemed to be part of the Obligations.

C. The Security Interest shall give Crestmark rights with respect to the Collateral and the Security Interest and this Agreement imposes duties upon Borrower which relate to the Collateral. Some of such rights and duties are: (i) the right of Crestmark at any time to notify any persons who may hold any part of the Collateral, such as Account Debtors and other debtors, of Crestmark's Security Interest. Borrower understands that Crestmark may verify Accounts with the Account Debtors; (ii) Borrower must cooperate with Crestmark in obtaining control of any Collateral in the possession of third persons, particularly Collateral consisting of deposit accounts, investment property, letter of credit rights or other Collateral which is evidenced by electronic entries; (iii) except for the right of Borrower to sell its inventory in the ordinary course of business, Borrower shall not sell or transfer any of the Collateral or grant any other security interest in the Collateral, except as Crestmark may specifically agree to in writing. Borrower remains liable to perform all of its obligations with respect to the Collateral such as the recognition of any warranties in inventory sold and Crestmark is under no responsibility to perform any of the obligations of Borrower; and (iv) Borrower must notify Crestmark immediately if it knows that any Account Debtor disputes an Account whether or not such disputes are deemed valid by Borrower.

9. **POWER OF ATTORNEY.** Borrower irrevocably appoints Crestmark, or any person(s) designated by Crestmark, as its attorney-in-fact, which appointment is coupled with an interest and shall remain in full force and effect until all Obligations of Borrower to Crestmark have been fully satisfied and discharged, with full power, at Borrower's sole expense, to exercise at any time in Crestmark's reasonable discretion all or any of the following powers:

A. Receive, take, endorse, assign, deliver, accept and deposit, in the name of Crestmark or Borrower, any and all cash, cheques, commercial paper, drafts, remittances and other instruments and documents relating to the Collateral or the proceeds thereof.

B. Change Borrower's address on all invoices and statements of Account mailed or to be mailed to Borrower's customers and to substitute thereon the address designated by Crestmark, to place legends on all invoices and statements of Account mailed or to be mailed to Borrower's customers, and to receive and open all mail addressed to Borrower, or to Borrower's trade name at Crestmark's address, or any other designated address.

C. Upon and after the occurrence of a Default, to change the address for delivery of Borrower's mail to Crestmark's or an address designated by Crestmark. Borrower specifically authorizes Crestmark to sign any forms on behalf of Borrower to affect this change with the United States Postal Service, Canada Post or any third party and requests such change to be accepted.

D. Upon and after the occurrence of a Default, to take or bring, in the name of Crestmark or Borrower, all steps, actions, suits or proceedings deemed by Crestmark necessary or desirable to effect collection of or other realization upon any Collateral.

E. Execute and file on behalf of Borrower any PPSA Financing Statement(s) or Financing Change Statements and/or any notices or other documents necessary or desirable to carry out the purpose and intent of this Agreement, and to do any and all things reasonably necessary and proper to carry out the purpose and intent of this Agreement.

F. Upon and after the occurrence of a Default, to transfer any lockboxes belonging to Borrower to Crestmark at Crestmark's sole discretion.

G. To initiate ACH transfers from Borrower's depository accounts.

H. Upon and after the occurrence of a Default, to endorse and take any action with respect to bills of lading covering any inventory.

I. Upon and after a Default, or at any time in the event that Borrower fails to do so within a reasonable time, execute, file and serve, in its own name or in the name of Borrower, mechanics lien or similar notices, or claims under any payment or performance bond for the benefit of Borrower.

J. Upon and after a Default, or at any time in the event that Borrower fails to do so within a reasonable time, pay any sums necessary to discharge any lien or encumbrance on the Collateral, which sums shall be included as Obligations hereunder, and which sums shall accrue interest at the Extra Rate until paid in full.

10. **REPRESENTATIONS.** Borrower makes the following representations and warranties to Crestmark and such representations and warranties must be true at all times until the Obligations are paid in full. If Borrower learns that a representation and warranty once made is no longer true, it has the duty to immediately notify Crestmark in writing:

A. Borrower is in good standing under the laws of the state or province of its organization and is authorized to conduct business in any state or province that it conducts business. Borrower has the power and authority to enter into this Agreement, and the persons signing this Agreement and all

persons who sign any documents with Crestmark have the appropriate authority. Borrower's organization identification number, state or province of organization, and addresses where it conducts business is as shown on the Schedule.

B. Borrower's entry into the Loan Documents do not violate any agreement which Borrower has or which binds Borrower.

C. The Loan Documents are fully enforceable against Borrower and the Collateral.

D. There are no litigation or criminal charges pending or threatened against Borrower or Guarantor and neither Borrower nor Guarantor are in default of any order or judgment of any court or any governmental agency of any kind. There are no unsatisfied liens or judgments pending against Borrower in any jurisdiction except as shown on the Schedule.

E. The financial information furnished by Borrower to Crestmark has been prepared in accordance with IFRS, all financial statements are true and correct, and any projections of the business operations of Borrower that have been given or will be given to Crestmark in the future will be based upon Borrower's reasonable assumptions and estimates.

F. Borrower is the owner of all of the Collateral and there are no other liens or claims against the Collateral, except the Security Interest of Crestmark or as shown on the Schedule.

G. All of the Collateral is personal property and none of the Collateral will be permanently affixed to real estate.

H. Borrower has filed and will file all federal, state, provincial, local and foreign tax returns that it is required to file and has paid and will pay all taxes and all other governmental charges as they become due.

I. Borrower is able to pay its debts as they become due and has sufficient capital to carry on its business. Borrower's obligations under this Agreement and the Loan Documents, including the obligation to repay the Loan and the grant of the Security Interest, do not render Borrower insolvent.

J. Borrower only uses the fictitious names, d/b/a's, tradenames and tradestyles set forth on the Schedule (collectively the "Tradenames"), and Borrower certifies that all sales and any and all business done in the name of the Tradenames are the sales and business of Borrower. Any and all cheques, remittances or other payments received in the name of any of the Tradenames are Borrower's sole and exclusive property, and are subject to Crestmark's security interest hereunder. Any and all authority given to Crestmark by Borrower in this Agreement or elsewhere to endorse Borrower's name on any cheques, negotiable instruments or other remittances extends with equal and full force and effect to any cheques, negotiable instruments, and other remittances received in the name of any Tradename.

K. All Accounts assigned to Crestmark by Borrower are and will at all times be bonafide accounts arising from the sale of inventory or providing services, and are not subject to discounts, deductions, allowances, contra items, offset or counterclaim and are free and clear of all encumbrances of any kind whatsoever, except as disclosed to Crestmark in writing and approved by Crestmark in writing.

L. Borrower's assignment of any Accounts to Crestmark pursuant to this Agreement will not at any time violate any federal, state, provincial and/or local law, rule or regulation, court or other governmental order or decree or terms of any contract relating to such Accounts.

M. Borrower possesses all necessary trademarks, trade names, copyrights, patents, patent rights and licenses to conduct its business as now operated, without any known conflict with any trademarks, trade names, copyrights, patents and license rights of any other person or entity.

N. Borrower's legal name as of the date hereof as it appears in its official filing with its state or province of organization is as set forth in the opening paragraph of this Agreement. Borrower has not organized another entity or Tradename using Borrower's name or Tradename as set forth herein in any other jurisdiction.

O. As to all of Borrower's Inventory and Equipment:

- A. The Inventory and Equipment are currently located only at the locations identified on the Schedule, or such other locations as consented to by Crestmark in writing;
- B. All Inventory is now and at all times hereafter shall be of good and merchantable quality, free from defects, except as disclosed to Crestmark in writing;
- C. The Inventory and Equipment are and shall remain free from all liens, claims, encumbrances, and security interests (except as held by Crestmark, and except as identified on the Schedule).
- D. The Inventory is not now stored with a bailee, warehouseman or similar party unless such party has entered into a waiver letter in form satisfactory to Crestmark.

11. **BORROWER'S PROMISES AND POSITIVE COVENANTS.** Borrower makes the following promises and covenants to Crestmark and these promises and covenants are effective until the Obligations are fully paid:

A. To pay all Obligations when due and perform all terms, conditions and obligations of the Loan Documents.

B. To permit Crestmark, or its representatives, access to the Collateral on Borrower's premises and to Borrower's computer systems, books of account and financial records. Borrower will pay the cost of Field Examinations as specified in the Schedule upon or after the occurrence of a Default.

C. To notify Crestmark promptly of any litigation, administrative or tax proceeding or other action threatened or instituted against Borrower or Guarantor or its property, or of any other material matter which may adversely affect Borrower's financial condition. The amount of claims as to which Borrower must notify Crestmark is specified in the Schedule as the "Borrower Claims Threshold".

D. To pay when due all taxes, assessments and governmental charges, provided that Borrower has the right to contest the same as long as it has a cash reserve with Crestmark in an amount as determined by Crestmark in its sole discretion.

E. To comply with the Financial Covenants described in the Schedule.

F. To maintain insurance on its business activities in such amount and in such form as Crestmark may from time to time require, and with respect to such insurance if so designated, Crestmark shall be named as "Lender Loss Payee" and/or "Additional Insured", as applicable, under the policy and receive evidence of the insurance. All insurance which protects Crestmark shall have at least a 30-day notice to Crestmark prior to any cancellation. With respect to the insurance, Borrower appoints Crestmark as its attorney-in-fact, upon and after the occurrence of a Default, to negotiate any and all claims under all insurance policies and Crestmark also has the power to negotiate any payments on the insurance policies.

G. To comply with all laws, ordinances and regulations or other requirements of any governmental authority or agency applicable to Borrower's business.

H. To maintain and preserve all Collateral in good repair, working order and condition, and with respect to accounts, pursue collections thereof.

I. To provide Crestmark with evidence of ownership of any Collateral upon the request of Crestmark.

J. To maintain a Loan Amount balance which shall not exceed the sum of Eligible Collateral times the corresponding Advance Rate.

12. **NEGATIVE COVENANTS.** Borrower agrees until the Obligations are paid in full, it will not:

A. Change its state or province of organization or its name, or move its executive office or at any time adopt any assumed name without giving Crestmark at least 30 days prior written notice.

B. Declare or pay any dividend or make any other distribution with regard to its equity or purchase or retire any of its equity without Crestmark's prior written consent, provided if it is taxed as an S Corporation or other "pass through" entity, Borrower may prior to a Default distribute profits to its equity holders in an amount necessary to enable such holders to pay personal, state, provincial and federal taxes directly attributable to the profits earned by Borrower for such year.

C. Make any loan or guarantee or assume any obligation or liability, whether as borrower, guarantor, surety, indemnitor or otherwise (a "Borrower Obligation") (i) that would result in or create a Default, or (ii) that together with all other existing Borrower Obligations would exceed the "Obligation Threshold" set forth in the Schedule, without Crestmark's prior written consent.

D. Enter into any transaction with its equity holders or any affiliates of Borrower except on terms at least as favorable as would be usual and customary in similar transactions if the person with whom the transaction is entered into was not related to Borrower.

E. Release, redeem, purchase, or acquire any of its equity interests without the prior written consent of Crestmark.

F. Default in the payment of any debt to any other person where such person is a secured creditor, or default in the payment of any debt to any other person in excess of \$50,000 where such person is an unsecured creditor.

G. Suffer or permit any judgment, decree or order not fully covered by insurance to be entered against Borrower or a Guarantor in an aggregate amount in excess of the "Borrower Claims Threshold", or permit or suffer any warrant or attachment to be filed against Borrower, any Guarantor, or against any property or asset of Borrower or Guarantor.

H. Transfer the ownership of any equity interest in Borrower without the prior written consent of Crestmark which shall not be unreasonably withheld.

I. Sell any of the Collateral outside the normal course of its business without the prior written consent of Crestmark.

J. Purchase the stock or assets of any other entity without the prior written consent of Crestmark.

K. Not, in one transaction or a series of related transactions, amalgamate with, merge or wind up or liquidate into or consolidate with any other person.

Create, incur, assume or permit to exist any security interest or lien on any Collateral except for those in favour of Crestmark, set out as Permitted Encumbrances in the Schedule or approved in writing by Crestmark.

13. **FINANCIAL REPORTS.** Borrower promises that until the Obligations are fully paid and this Agreement is terminated, it will keep its books and records in a manner satisfactory to Crestmark and Crestmark will have the right at any time to verify any of the Collateral, documentation or books and records of Borrower in whatever manner and as often as Crestmark deems necessary. Borrower will permit Crestmark, or its representatives, access to the Collateral and Borrower's premises and to Borrower's computer systems, books of account and financial records. Borrower will furnish to Crestmark the financial reports identified on the Schedule, certified to by the president or chief financial officer of Borrower and Borrower's certified public accountant, if applicable. All financial reports will be prepared in accordance with generally acceptable accounting principles and will be true and accurate.
14. **CRESTMARK'S REMEDIES.** Crestmark has all the remedies available at law or in equity (including those under the PPSA) in the event of a Default or if Borrower fails to pay the Obligations on demand, including but not limited to the following: to charge the Extra Rate; to notify Account Debtors to make the payments directly to Crestmark; to settle or compromise any disputed Account, sue on any Account and make any agreement to deal with the accounts as if it were the owner; to offset any of Borrower's or Guarantor's funds under the control of Crestmark against the Obligations; and to require Borrower to gather up the Collateral and make it available to Crestmark for Crestmark to conduct public or private PPSA foreclosure sales. Borrower grants to Crestmark a license or other right to use, without charge, Borrower's labels, patents, copyrights, trademarks, rights of use of any name, trade secrets, tradenames and advertising materials, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale and selling any Collateral, and Borrower's rights under all licenses and franchise agreements shall inure to Crestmark's benefit. If Crestmark should proceed against the Collateral and sell any of the Collateral on credit, Borrower will be credited on the Obligations only with the amount actually received by Crestmark and Borrower waives any and all provisions as to notice or a particular method of sale of any of the Collateral. Borrower will pay all expenses in connection with the assembly or sale of the Collateral. Crestmark does not have to incur its own expenses in realizing upon the Collateral, but all the expenses are for the account of Borrower. Borrower recognizes that at no time is Crestmark its agent in dealing with the Collateral, but Crestmark acts only in its own interest.
15. **CUMULATIVE RIGHTS.** Crestmark's rights and remedies under this Agreement and all other agreements shall be cumulative. Crestmark shall have all other rights and remedies not inconsistent herewith as provided under the PPSA, by law, or in equity. No exercise by Crestmark of one right or remedy shall be deemed an election, and no waiver by Crestmark of any Default on Borrower's part shall be deemed a continuing waiver. No delay by Crestmark shall constitute a waiver, election or acquiescence by it.
16. **LENDER ACTIONS.** To the extent applicable law may impose duties on Crestmark to exercise remedies in a commercially reasonable manner, Borrower agrees that it is not commercially unreasonable for Crestmark: to fail to exercise remedies against any Collateral or any particular Account Debtor; to proceed against Account Debtors either directly or through collection agencies; to advertise disposition of Collateral through publications or media of general circulation; to hire professional auctioneers to dispose of Collateral; to dispose of Collateral in wholesale or retail markets; to disclaim warranties with respect to Collateral; or to obtain services of attorneys or other professionals. The foregoing is not an exhaustive list and nothing contained in the foregoing shall be construed to grant any rights to Borrower or to impose any duties on Crestmark that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 16. Borrower agrees that under no circumstances is Crestmark the agent or representative of Borrower.
17. **APPLICATION OF PROCEEDS.** Once collection efforts are commenced by Crestmark, any proceeds of sale or disposition of Collateral may be applied by Crestmark first to expenses authorized by this Agreement, including Crestmark's reasonable attorneys' fees, which Borrower must pay, and the balance to payment of the Obligations in such manner as Crestmark may elect. Borrower and Guarantor remain liable for any deficiency.
18. **NOTICES.** Any notice is effective by either party if sent in writing or facsimile with confirmation of receipt or by certified mail or personal delivery or expedited mail services to the addresses shown on the Schedule.

19. **MISCELLANEOUS PROVISIONS.**

A. This Agreement is binding upon and is for the benefit of Borrower and Crestmark, and their respective successors and assigns. However, under no circumstances may Borrower assign this Agreement or its rights and duties hereunder. Crestmark may assign this Agreement and its rights under the Loan Documents and Borrower will make payments to any such assignee if so directed.

B. Crestmark has the right at any time to assign, transfer, negotiate or sell participations in this Agreement or the Obligations or the rights of Crestmark hereunder. In connection with any assignment, Borrower consents to disclosure of any and all books, records, files, Loan Documents and all other documents in the possession or under the control of Crestmark.

C. No delay or failure of Crestmark in exercising any right or remedy will affect such right or remedy. No delay or failure of Crestmark to demand strict adherence to the terms of this Agreement will be deemed to waive Crestmark's rights to demand such adherence at any time in the future.

D. The term "including" means "including, without limitation", and the term "includes" means "includes, without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall." The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined.

E. This Agreement and the other Loan Documents will be governed by, interpreted and determined under the laws of the Province of Alberta and the federal laws of Canada applicable therein without any regard to any conflict of laws provisions.

F. Borrower, at Crestmark's request, will make, execute and acknowledge any and all further instruments or agreements necessary to carry out the intent of this Agreement and the other Loan Documents.

G. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all signatures were upon the same instrument. Delivery of an executed counterpart of the signature page to this Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement, and any party delivering such an executed counterpart of the signature page to this Agreement by facsimile or electronic mail to any other party shall thereafter also promptly deliver a manually executed counterpart of this Agreement to such other party, provided that the failure to deliver such manually executed counterpart shall not affect the validity, enforceability, or binding effect of this Agreement.

H. Neither Crestmark nor its affiliates directors, officers, agents, attorneys or employees are liable to Borrower or Guarantor or affiliates for any action taken or omitted by it or any of them under the Loan Documents except for such liability as may be imposed by law for gross negligence or actual fraud, and no claim shall be made by Borrower or Guarantor or any of Borrower's affiliated, directors, officers, agents, employees for any special or consequential damages or punitive damages arising out of, or related to the Loan Documents or the transactions between the Parties.

I. This Agreement and the other Loan Documents represent the complete Agreement between the parties with respect to the subject matter of this Agreement, and there are no promises, undertakings, representations or warranties by Crestmark relative to the subject matter of this Agreement not expressly set forth in this Agreement or the other Loan Documents. This Agreement and the other Loan Documents may be amended only in writing.

J. If any provision of this Agreement is in conflict with any law or statute or is otherwise unenforceable, then the provision will be deemed null and void only to the extent of such provision and the provision will be deemed severable and the remainder of this Agreement shall be in full force and effect.

K. Any payment made to Crestmark by either Borrower or any Guarantor which is subsequently invalidated, declared fraudulent or preferential or otherwise set aside under any bankruptcy, state, provincial, federal or equitable law, then to the extent of such invalidity such payment will be deemed not to have been made and the obligation will continue in full force and effect. This provision shall survive termination of this Agreement.

L. **USA Patriot Act Notification** – The following notification is provided to Borrower pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, United States Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan or other extension of credit. We may ask for the name, address, date of birth, and other information that will allow us to identify all Borrowers, principals and owners. We may also ask to see your driver's license or other identifying documents.

20. **[Intentionally deleted]**

21. **INDEMNIFICATION.** Borrower hereby agrees to indemnify, defend and hold Crestmark and its executive committees, parent affiliates, subsidiaries, agents, directors, officers, participants, employees, agents and their successors and assigns (collectively "Indemnified Parties") harmless against any and all liabilities of any kind, nature or description and damages whether they are direct, indirect or consequential, including legal fees and other professionals and experts incurred or suffered directly or indirectly by Indemnified Parties or asserted against Indemnified Parties by anyone whatsoever, including Borrower or Guarantor, which arise out of the Loan Documents or the relationship and transaction between the Parties, including, without limitation, liabilities or damages related to the Environmental Protection and Enhancement Act of Alberta (and any regulations thereunder) or similar laws. This provision shall survive the termination of this Agreement.

22. **INTEREST ACT (CANADA).** Each interest rate which is calculated under this Agreement on any basis other than a full calendar year (the "Deemed Interest Period") is, for the purposes of the Interest Act (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the actual number of days in the Deemed Interest Period, then multiplying such result by the actual number of days in the calendar year (365 or 366).

23. **CRIMINAL CODE.** In no event shall the aggregate "interest" (as defined in Section 347 of the Criminal Code (Canada) (the "Criminal Code")), payable to Crestmark under the Notes or this Agreement exceed the effective annual rate of interest lawfully permitted under the Criminal Code. Further, if any payment, collection or demand pursuant to the Notes and the Agreement in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code, such payment, collection, or demand shall be deemed to have been made by mutual mistake of Crestmark and Borrower and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by Crestmark of interest at a rate not in contravention of the Criminal Code. If any amount in excess of such limit shall have been paid, then such amount shall be credited to the outstanding principal balance of the Notes, or if no such amount is outstanding, refunded to Borrower.

24. **JOINT AND SEVERAL OBLIGATIONS.** If more than one person or entity is named as Borrower in this Agreement, all Obligations, representations, warranties, covenants and indemnities of Borrower set forth herein and in the other Loan Documents shall be the joint and several obligations of such persons and/or entities.

25. **JURISDICTION.** BORROWER AGREES THAT ANY ACTION TO ENFORCE BORROWER'S OBLIGATIONS TO CRESTMARK SHALL BE PROSECUTED IN THE COURTS OF THE PROVINCE OF


ALBERTA (UNLESS CRESTMARK, IN ITS SOLE DISCRETION, ELECTS SOME OTHER JURISDICTION), AND BORROWER SUBMITS TO THE JURISDICTION OF ANY SUCH COURT SELECTED BY CRESTMARK. BORROWER WAIVES ANY AND ALL RIGHTS TO CONTEST THE JURISDICTION AND VENUE OF ANY ACTION BROUGHT IN THIS MATTER AND BORROWER AND GUARANTOR MAY BRING ANY ACTION AGAINST CRESTMARK ONLY IN THE COURTS LOCATED IN THE PROVINCE OF ALBERTA.

26. **WAIVER.** ALL PARTIES, INCLUDING BORROWER, EACH KNOWINGLY AND VOLUNTARILY WAIVE ANY CONSTITUTIONAL RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, DISPUTE OR CONFLICT BETWEEN THE PARTIES OR UNDER THE LOAN DOCUMENTS AND AGREE THAT ANY LITIGATION SHALL BE HEARD BY A COURT OF COMPETENT JURISDICTION SITTING WITHOUT A JURY. BORROWER ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO REVIEW THE EFFECT OF THIS PROVISION WITH COUNSEL OF ITS CHOICE.
27. **RELEASE.** BORROWER RELEASES AND FOREVER DISCHARGES CRESTMARK, ITS AFFILIATES, OFFICERS, AGENTS, EMPLOYEES AND DIRECTORS FROM ANY AND ALL CLAIMS OF ANY KIND WHATSOEVER FROM THE BEGINNING OF TIME TO DATE OF THIS AGREEMENT EXCEPT TO THE EXTENT ANY SUCH CLAIMS ARISE FROM THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT OF CRESTMARK OR ITS OFFICERS, AGENTS, EMPLOYEES OR DIRECTORS.

[Signature page follows]


The parties have executed this Agreement as of the date and year first written above.

**CRESTMARK, A DIVISION OF METABANK,
NATIONAL ASSOCIATION**

By: 
Name: LISA GOENLE
Its: VICE PRESIDENT

BORROWER:

MANTLE MATERIALS GROUP, LTD.,
an Alberta corporation

By: 
Name: John Jeffrey Ryks
Its: Chief Financial Officer
I have the Authority to Bind the Corporation

By signing this Agreement, the undersigned Guarantor has read and understands the Agreement and acknowledges all of its terms.

GUARANTOR:

RLF CANADA HOLDINGS LIMITED,
a Colorado corporation

By: _____
Name: Byron Levkulich
Its: Chief Executive Officer
I have the Authority to Bind the Corporation

The parties have executed this Agreement as of the date and year first written above.

**CRESTMARK, A DIVISION OF METABANK,
NATIONAL ASSOCIATION**

By: _____
Name: _____
Its: _____

BORROWER:

MANTLE MATERIALS GROUP, LTD.,
an Alberta corporation

By: _____
Name: John Jeffrey Ryks
Its: Chief Financial Officer
I have the Authority to Bind the Corporation

By signing this Agreement, the undersigned Guarantor has read and understands the Agreement and acknowledges all of its terms.

GUARANTOR:

RLF CANADA HOLDINGS LIMITED,
a Colorado corporation

By: Byron Levkulich
Name: Byron Levkulich
Its: Chief Executive Officer
I have the Authority to Bind the Corporation

SCHEDULE TO LOAN AGREEMENT

This Schedule is part of the Loan Agreement dated as of June 0, 2022 (the "Agreement") between:

**CRESTMARK, A DIVISION OF METABANK,
NATIONAL ASSOCIATION ("Crestmark")
5480 CORPORATE DRIVE
SUITE 350
TROY, MICHIGAN 48098**

AND

**MANTLE MATERIALS GROUP, LTD. ("Borrower")
PO BOX 6977
BONNYVILLE, ALBERTA, CANADA T9N 2H4**

(The following paragraph numbers correspond to paragraph numbers contained in the Agreement)

2. LOAN; LOAN ADVANCES.

Advance Formula: Advances of the Loan shall be measured against a percentage of Eligible Accounts.

A. The Loan Amount may not exceed an amount which is the lesser of:

- (a) One Million Five Hundred Thousand and 00/100 Canadian Dollars (C\$1,500,000.00) ("Maximum Amount"); or
- (b) Eighty-five percent (85%) of Eligible Accounts (the "Advance Formula").

Crestmark in its sole discretion may raise or lower any percentage advance rate with respect to the Advance Formula. To the extent any currency exchange is required in connection with the calculation of the Advance Formula, such calculation shall be based on exchange rates determined by Crestmark in accordance with its customary practice. The Maximum Amount at any time shall be calculated by Crestmark and, to the extent any currency conversion is required in connection with the calculation of the Maximum Amount, shall be based on exchange rates determined by Crestmark in accordance with its customary practice.

Eligible Accounts means and includes those Accounts:

- (i) which are payable in Canadian Dollars;
- (ii) which have been validly assigned to Crestmark;
- (iii) strictly comply with all of Borrower's promises, warranties and representations to Crestmark;
- (iv) contain payment terms of not greater than sixty (60) days from the date of invoice;
- (v) are not past due more than ninety (90) days past the date of invoice, or in the case of LaFarge Canada Inc. and MD of Bonnyville No. 87, are not past due more than one hundred twenty (120) days past the date of invoice; and
- (vi) are invoiced not later than 14 days from the date of service or sale.

Eligible Accounts shall not include the following:

- (a) Accounts with respect to which the Account Debtor is an officer, employee or agent of Borrower;
- (b) Accounts with respect to which services or goods are placed on consignment, guaranteed sale, or other terms by reason of which the payment by the Account Debtor may be conditional;

- (c) Accounts with respect to which the Account Debtor is not a resident of the United States or Canada; provided, however, that the eligibility of any Accounts originating from the Province of Quebec shall be determined by Crestmark in its sole discretion;
- (d) Accounts with respect to which the Account Debtor is the United States, Canada or any department, agency or instrumentality of the United States or of Canada; unless, Borrower has completed all of the steps necessary, in the sole opinion of Crestmark, to comply with the Federal Assignment of Claims Act of 1940 (31 U.S.C. Section 3727) or applicable Canadian laws with respect to such Account. Notwithstanding the foregoing, Accounts with respect to which the Account Debtor is a municipality, city, or town within the Province of Alberta will not be deemed ineligible as a result of this clause (d).
- (e) Accounts with respect to which the Account Debtor is a subsidiary of, related to, affiliated with, or has common shareholders, officers or directors with Borrower;
- (f) Accounts with respect to which Borrower is or becomes liable to the Account Debtor for goods sold or services rendered by the Account Debtor to Borrower;
- (g) those Accounts where Crestmark has notified Borrower that, in Crestmark's sole discretion, the Account or Account Debtor is not acceptable to Crestmark;
- (h) all of the Accounts owed by an Account Debtor who is the subject of a bankruptcy, receivership or similar proceeding;
- (i) all of the Accounts owed by an Account Debtor where twenty-five (25%) percent or more of all of the Accounts owed by that Account Debtor are more than ninety (90) days from the invoice date, or in the case of LaFarge Canada Inc. and MD of Bonnyville No. 87, are more than one hundred twenty (120) days from invoice date;
- (j) Accounts for which the services have not yet been rendered to the Account Debtor or the goods sold have not yet been delivered to the Account Debtor (commonly referred to as "pre-billed accounts");
- (k) any contra or affiliate contra Accounts, including, without limitation, Accounts from Account Debtors, Bonnie's Equipment Services, Rockslide Gravel Ltd., and Seven Lakes Oilfield Services Corp.
- (l) COD, credit card sales and cash sales; and
- (m) Accounts are disputed.

Crestmark will determine in its sole discretion whether any Collateral is eligible for an Advance, but no Collateral will be considered eligible unless the requirements set forth above are met. Regardless of whether any Collateral is eligible, it is still part of the Collateral securing the Obligations.

Prior to any request for an Advance Borrower must furnish to Crestmark invoices, credit memos, purchase orders and/or customer contract, evidence of delivery, proof of shipment, proof of pickup and/or proof of crushing (whereby, if a proof of crushing is being relied upon, it must be accompanied with way logs or such other evidence satisfactory to Crestmark confirming the weight of the materials crushed), timesheets or any other documents Crestmark requests, in its sole discretion, with respect to the Accounts that Borrower is tendering to Crestmark to support the Advance ("Account Documents"). Crestmark will endeavor to provide the requested Advance by the end of the day on the date it receives the request as long as the complete package of information for the request has been received by Crestmark by 10:30 a.m. Mountain Time on the date of the request for the Advance. All requests for funding will be subject to Crestmark's then standard fees for electronic funds transfer, wire transfers and cheque services.

Each time an Advance is made, the amount of the Obligations will be increased by the amount of the Advance. On the later of three (3) business days ("Clearance Days") after cheques, Automated Clearing House transactions ("ACH") or wire transfers or other credit instruments are applied to a specific invoice, Crestmark will credit the Loan Account with the net amount actually received, whereupon interest and Maintenance Fee will no longer be charged. On the date a collection is applied to a specific invoice Borrower will receive immediate credit on such funds in determining availability for Advances.

When Crestmark receives a payment from an Account Debtor, it will attempt to apply it against the appropriate Account Debtor and invoice according to the Account Debtor's remittance advice. If it is not clear which Account Debtor or invoice the payment is to be applied against, Crestmark may contact Borrower or the payor for assistance. Unless there is clear error, the application of payments by Crestmark is final.

4. **FEES AND EXPENSES.** The following fees will be paid by Borrower:

Loan Fee: At closing of the Loan and on each one year anniversary of the date of the Agreement, Borrower will pay Crestmark a loan fee in the aggregate amount of one percent (1%) of the Maximum Amount, which will be fully earned as of such date and not refundable in any event, but, as a courtesy to Borrower, may be paid in twelve (12) equal consecutive monthly payments commencing on date of execution of the Agreement (and, with respect to each year starting with the one year anniversary, the first day of each one year anniversary) and continuing on the first day of each month thereafter.

Late Reporting Fee: Borrower will pay Crestmark a Late Reporting Fee in an amount equal to C\$150.00 per document per business day for any day in which any report, financial statement or schedule required by the Agreement is delivered late.

Lockbox Fee: Each month Borrower will pay all costs in connection with the Lockbox and the Lockbox Account, as determined by Crestmark from time to time.

Documentation Fee: In consideration of the extension of the Loan and the execution of the Agreement, Borrower will pay Crestmark a documentation fee of C\$750.00, which fee is fully earned as of the date hereof and is non-refundable.

Maintenance Fee: Waived.

Exit Fee. Borrower may elect to prepay the Obligations but only upon the payment of all Obligations including the following exit fee ("Exit Fee"), as liquidated damages and not as a penalty: (i) prior to the one year anniversary date of the Agreement, the exit fee will be two (2.00%) percent of the Maximum Amount, and (ii) on and after the one year anniversary date, the Exit Fee will be one percent (1.00%) of the Maximum Amount. No partial prepayment will affect the Borrower's obligation to continue the regular payments due under the Note. If, after 12 months, the Loan is repaid by a conventional lender or a related party, the Exit Fee will not apply.

The facility shall automatically renew on each anniversary date of the Agreement for an additional twelve (12) month period unless (i) Borrower notifies Crestmark in writing within sixty (60) days before such anniversary date of Borrower's intention to terminate the Agreement and (ii) the Obligations are paid in full by such anniversary date. In the event that a Default has occurred and is continuing at the time Crestmark demands payment of the Obligations, the Exit Fee will be due and payable by Borrower.

MINIMUM LOAN BALANCE. Borrower shall maintain an average outstanding principal balance of the Loan for each month in the amount of (a) C\$200,000 for the period beginning from the date of this Agreement through and including June 30, 2022, and (b) C\$350,000.00 commencing July 1, 2022 and any time thereafter (in each case, the "Minimum Loan Balance"). If the actual average outstanding principal balance of the Loan in any month is less than the Minimum Loan Balance, Borrower must pay interest and Maintenance Fees (as defined in the Schedule) for such month calculated on the Minimum Loan Balance.

5. **LOCKBOX.**

The Lockbox Account means:

Canadian Imperial Bank of Commerce
Lockbox #TX4050C
PO Box 4590, STN A
Toronto, ON M5K 1K1

Or

US Lockbox Account (for US Account Debtors only)
Drawer # 2766
PO Box 5935
Troy, MI 48007-5935

10. **REPRESENTATIONS.**

Borrower makes the following additional representations:

(A) Borrower is an Alberta (Canada) corporation, with a business number of 723397733 and a corporate access number of 2023450345.

(D) List pending and threatened litigation and unsatisfied judgments:

- Enforcement Order No. EO-WA-35659-01
- Environmental Protection Order No. EPO-EPEA-35659-01
- Environmental Protection Order No. EPO-EPEA-35659-02
- Environmental Protection Order No. EPO-EPEA-35659-03
- Environmental Protection Order No. EPO-EPEA-35659-05
- Environmental Protection Order No. EPO-EPEA-35659-06
- Environmental Protection Order No. EPO-EPEA-35659-07
- Environmental Protection Order No. EPO-EPEA-35659-08
- Environmental Protection Order No. EPO-EPEA-35659-09
- Environmental Protection Order No. EPO-EPEA-35659-10

Plus, inchoate or statutory liens arising in respect of the operation of assets in the ordinary course of business, provided that such liens are with respect to obligations which are not due or delinquent, are not registered against title to any assets of the Borrower, and which liens are being contested in good faith by appropriate legal proceedings diligently pursued and as to which adequate reserves have been established on the Borrower's books and records or a stay of enforcement of such liens is in effect.

(F) List Security Interests in the Collateral held by creditors other than Crestmark as Permitted Encumbrances (collectively, "**Permitted Encumbrances**"):

All Security Interests granted by the Borrower in connection with the following registrations made under the Personal Property Registry of Alberta:

- PPSA filing no. 21100725361, filed on October 7, 2021 by Secured Party, Travelers Restructuring Capital Inc., it being acknowledged that Security Interests granted to Crestmark shall remain subordinated to such creditor.
- PPSA filing no. 20110921992, filed on November 9, 2020 by Secured Party, ATB Financial, subject to Crestmark receiving a no interest letter, in form and substance satisfactory to Crestmark.

- The following PPSA filings, filed by Secured Parties, Fiera Private Debt Fund V LP, as collateral agent, Fiera Private Debt Fund V LP and Fiera Private Debt Fund VI LP, subject to an Intercreditor/Subordination Agreement, in form and substance satisfactory to Crestmark.
 - PPSA file no. 17040638801 filed on 4/6/2017
 - PPSA file no. 18062002625 filed on 6/20/2018
 - PPSA file no. 20031623522 filed on 3/16/2020
- The following PPSA filings, filed by Secured Parties, Fiera Private Debt Fund V LP and Fiera Private Debt Fund VI LP, subject to an Intercreditor/Subordination Agreement, in form and substance satisfactory to Crestmark.
 - PPSA file no. 20100116475 filed on 10/1/2020
 - PPSA file no. 20100116566 filed on 10/1/2020
- PPSA filing number 19011424597, filed on January 14, 2019 by Canadian Western Bank – Credit Support, NAB Region. Crestmark's approval of this Permitted Encumbrance has been granted in consideration of the additional negative covenant set out in clause 12 of this Schedule below.

For greater certainty and avoidance of doubt:

- it is understood that the Security Interests granted to Crestmark shall have first priority over the inventory, account receivables and proceeds thereof and the purpose and intent of the Intercreditor/Subordination Agreement with Fiera Private Debt Fund V LP and Fiera Private Debt Fund VI LP is to have such creditor postpone and subordinate its security interests to that of Crestmark with respect to inventory, account receivables and proceeds thereof, with Crestmark remaining in a subordinate position with respect to the remainder of the Borrower's present and after-acquired personal property;
- regarding Travelers Restructuring Capital Inc., Crestmark will remain in a subordinate position with respect to the collateral described in the registration made in favour of such creditor;
- regarding ATB Financial, Crestmark will remain in a subordinate position with respect to the collateral described in the registration made in favour of such creditor, provided that ATB Financial confirms that it has no interest in the Borrower's inventory, accounts receivable and proceeds thereof, save and except for the "Acquired Tranche B Inventory" described in such registration; and
- regarding Canadian Western Bank, Crestmark will remain in a subordinate position with respect to the collateral described in the registration made in favour of such creditor, subject to the negative covenant set out in clause 12 of this Schedule below.

(J) List Borrower's Tradenames: None

11. **BORROWER'S PROMISES:**

C. BORROWER CLAIMS THRESHOLD: C\$50,000.00 (including any equivalent amount in another currency).

E. FINANCIAL COVENANTS: At no time shall Borrower make any loans, advances, intercompany transfers or cash flow between Borrower and any subsidiary, related entity or affiliate of Borrower or with any company that has common shareholders, officers or directors with Borrower.

All of the financial covenants in the Agreement and this Schedule shall be determined in accordance with IFRS, unless otherwise provided.

"IFRS" means International Financial Reporting Standards, including International Accounting Standards and Interpretations together with their accompanying documents

which are set by the International Accounting Standards Board, the independent standard-setting body of the International Accounting Standards Committee Foundation (the "**IASC Foundation**"), and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation, but only to the extent the same are adopted by the Canadian Institute of Chartered Accountants ("**CICA**") as generally accepted accounting principles in Canada and then subject to such modifications thereto as are agreed by CICA, applied on a consistent basis; provided that for the purposes of this Agreement, including for the purposes of any financial calculations, any lease which would be accounted for as an operating lease under GAAP as in effect on the December 31, 2018 shall be, notwithstanding any subsequent change in GAAP, deemed to continue to be accounted for in the same manner as an operating lease was accounted for as at December 31, 2018, notwithstanding and regardless of the implementation under GAAP of IFRS 16 (regardless of whether such lease is entered into or assumed before or after December 31, 2018) and the obligations for or in respect of lease payments under any such lease shall not constitute debt.

F. **REQUIRED INSURANCE.** Without limiting Crestmark's requirement for insurance coverage, which may change from time to time, the following is/are the minimum insurance requirements:

Property Damage: "Crestmark, a division of MetaBank, National Association, ISAOA" named as Lender Loss Payee

General and Professional Liability: "Crestmark, a division of MetaBank, National Association, ISAOA" named as Additional Insured for an amount not less than the smallest amount required under any contract with any Account Debtor.

12. **NEGATIVE COVENANTS:**

C. **OBLIGATION THRESHOLD:** C\$50,000.00 (including any equivalent amount in another currency).

Notwithstanding the Obligation Threshold defined in this Schedule, Crestmark acknowledges and consents to the existing Borrower Obligations secured by Permitted Encumbrances as of the date of the Loan Agreement only, which excludes, for certainty, any increases to such Borrower Obligations that remain subject to the Obligation Threshold or otherwise requires Crestmark's prior written consent.

In addition to the terms and conditions set out in the Agreement and this Schedule, Borrower covenants and agrees not to increase the face value of the guaranteed investment certificate (including replenishing any redeemed or withdrawn amounts from time to time) held with or maintained by Canadian Western Bank and, in connection with this negative covenant, confirms that the collateral secured by the Permitted Encumbrance in favour of Canadian Western Bank is limited to the guaranteed investment certificate and proceeds therefrom as described under PPSA filing number 19011424597.

13. **FINANCIAL REPORTS.**

Management Prepared Financial Statements: Borrower will deliver to Crestmark management prepared financial statements, balance sheets, and profit and loss statements for month then ended, certified to by the president or chief financial officer of Borrower. Such reports will set forth the financial affairs and true condition of Borrower for such time period and will be delivered to Crestmark no later than thirty (30) days after the end of each month.

Projections: Borrower shall deliver to Crestmark, promptly upon request by Crestmark, an annual financial projection including balance sheet, income statements, and statement of cash flows together with assumptions for the following year, broken down monthly.

Guarantors' Corporate Financial Statements. Upon request, Guarantors will provide Crestmark with annual corporate financial statements on forms supplied by Crestmark. Such reports will set forth with detail Guarantors' financial affairs and the true financial condition of Guarantors, as of the end of each calendar year and shall be delivered to Crestmark on the earlier of April 30th or 120 days after the end of each calendar year.

Annual Financial Statements: Each year Borrower will deliver to Crestmark annual management prepared financial statements, cash flow statements, balance sheets, and profit and loss statements prepared by a certified public accountant acceptable to Crestmark, all without exceptions. Such reports will set forth in detail Borrower's true condition as of the end of Borrower's fiscal year no later than one hundred twenty (120) days after the end of Borrower's fiscal years.

All financial statements are and will be prepared in accordance with GAAP applied on a consistent basis.

Accounts Receivable and Accounts Payable Aging: Borrower will furnish to Crestmark the following certified to by the president or chief financial officer of Borrower within the time periods set forth:

- (a) **Accounts Receivable Reports:** Monthly detailed Accounts Receivable Aging Reports no later than fifteen (15) days after the end of each month, but can be requested more frequently at Crestmark's sole discretion;
- (b) **Accounts Payable Reports:** Monthly summary Accounts Payable Aging Reports no later than fifteen (15) days after the end of each month, but can be requested more frequently at Crestmark's sole discretion; and

Tax Returns: Upon request, Guarantor and Borrower will each provide Crestmark with current annual tax returns prior to 180 days after the end of each financial year end, if a corporation, and by April 30 of each year, if an individual or if an extension is filed, at the earlier of (a) filing, or (b) the extension deadline.

Field Examinations: Upon and after the occurrence of a Default, Borrower will reimburse Crestmark for the costs to perform field examinations of Borrower's books and records, assets and liabilities, to be performed by Crestmark's inspector, whether a Crestmark officer or an independent party with all expenses, (whether for a Crestmark employee or otherwise), including all out of pocket expenses including, but not limited to, transportation, hotel, parking, and meals paid by Borrower. Field examinations are performed for Crestmark's internal use and Crestmark has no obligation to provide Borrower or Guarantor with the results of the examination or copies of any reports or work papers in whole or in part. For clarity, prior to the occurrence of a Default, Crestmark shall be entitled to perform field examinations of Borrower's books and records, assets and liabilities, provided that Crestmark shall be responsible for all costs and expenses associated with such field examinations that are not triggered by or do not otherwise occur upon or after a Default.

Tax Deposit Evidence: Upon request, submit weekly payroll summaries and evidence of tax payments together with copies of bank statements from which the funds are impounded.

Customer Lists: Upon Crestmark's request, Borrower will deliver to Crestmark detailed customer lists showing the customer's name, address, phone number and any other information Crestmark reasonably requests.

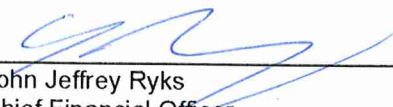
Other Information: Borrower and Guarantor will also deliver to Crestmark such other financial statements, financial reports, documentation, tax returns and other information as Crestmark requests from time to time.

18. **NOTICES.** Addresses for Notices are as set forth at the beginning of this Schedule.


[Signature page follows]

The parties have executed this Schedule as of the date and year first written above.

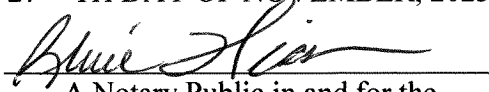
MANTLE MATERIALS GROUP, LTD.,
an Alberta corporation

By: 
Name: John Jeffrey Ryks
Its: Chief Financial Officer
I have the Authority to Bind the Corporation

**CRESTMARK, A DIVISION OF METABANK
NATIONAL ASSOCIATION**

By: 
Name: LISA SPENCE
Its: VICE PRESIDENT

THIS IS EXHIBIT "K" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

SECURITY AGREEMENT
(All Assets)

This Security Agreement ("Agreement") is made June 6, 2022, by and between Crestmark, a division of MetaBank, National Association whose address is 5480 Corporate Drive, Suite 350, Troy, Michigan 48098 ("Bank") and Mantle Materials Group, Ltd., an Alberta corporation, whose address is PO Box 6977, Bonnyville, Alberta, Canada T9N 2H4 ("Borrower").

BACKGROUND:

BORROWER is requesting loans from time to time (the "Loan") from Bank pursuant to a Loan Agreement dated of even date herewith between Bank and Borrower, including all extensions, modifications, alterations, amendments and restatements thereof (the "Loan Agreement").

NOW THEREFORE, for and in consideration hereof, Borrower agrees as follows:

1. **GRANT OF SECURITY INTEREST:** Borrower hereby grants to Bank a continuing security interest in the Collateral described in Paragraph 2 below to secure (i) the repayment of any indebtedness arising under and in connection with the Loan Agreement, as the same may be amended, modified, altered, extended or reaffirmed, from time to time; (ii) the repayment of the Obligations (as defined in the Loan Agreement), including the Loan and all other loans and advances (including all renewals and extensions thereof) to Borrower; and (iii) all obligations of any and every kind and nature heretofore, now or hereafter owing to Bank from Borrower, however incurred or evidenced, plus all interest, costs, expenses, and reasonable legal fees, which may be made or incurred by Bank in the disbursement, administration, and collection of said liabilities, and in the protection, maintenance, and liquidation of the Collateral (collectively, the "Liabilities"). This Agreement will continue in effect as long as any Liabilities of Borrower to Bank are outstanding and unpaid.

2. **COLLATERAL:** The "Collateral" covered by this Agreement is all of Borrower's personal property, wherever located, which Borrower now owns or shall hereafter acquire or create, immediately upon the acquisition or creation thereof, including without limitation all: (a) Accounts; (b) Chattel Paper (whether tangible or electronic); (c) Inventory; (d) Goods (other than Inventory); (e) Equipment, including, but not limited to the equipment described in Exhibit A attached hereto; (f) Instruments, including promissory notes; (g) Investment Property (including Securities); (h) Documents of Title; (i) deposit accounts; (j) commercial tort claims specifically identified by Bank; (k) Money, other than trust monies lawfully belonging to others; (l) letters of credit and letter of credit rights; (m) Intangibles (including payment intangibles and software); (n) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property and (p) to the extent not listed above as original collateral, all Proceeds (including all products) of the foregoing. The Collateral also includes all monies on deposit with Bank, or on deposit in a lockbox account with another bank holding a lockbox for the benefit of Bank. Without limiting the foregoing, Accounts will also mean and include any and all other forms of obligations now owed or hereafter arising or acquired by Borrower evidencing any obligation for payment for goods of any kind, nature, or description sold or leased or services rendered, and all proceeds of any of the foregoing.

The Security Interest granted hereby shall not extend or apply to, and the Collateral shall not include, (a) consumer goods or (b) the last day of the term of any lease or agreement, but upon the enforcement of the security interest herein granted, Borrower shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

Borrower acknowledges that value has been given and that the parties hereto have not agreed to postpone the time of attachment of the security interests created hereby. The security interests granted by Borrower are intended to attach, as to all of the Collateral, and with respect to any particular item of Collateral, upon the execution by Borrower of this Agreement, and Borrower obtaining rights in such item of Collateral or the power to transfer rights in such item of Collateral to a secured party.

Terms used and not otherwise defined in this Agreement shall have the meaning given such terms in the Personal Property Security Act (Alberta), and any regulations thereunder, in each case as amended from time to time, which Act and regulations, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "PPSA". In the event the meaning of any term defined in the PPSA is amended after the date of this Agreement, the meaning of such term as used in this Agreement shall be that of the more encompassing of: (i) the definition contained in the PPSA prior to the amendment, and (ii) the definition contained in the PPSA after the amendment.

The parties agree that the foregoing description of Collateral is meant to cover "all present and after-acquired personal property" of Borrower.

3. **PERFECTION OF SECURITY INTEREST:** Borrower hereby irrevocably authorizes Bank, its subsidiaries, its designated agents or assigns to file financing statement(s) describing the Collateral in all public offices deemed necessary by Bank, and to take any and all actions, including, without limitation, filing all financing statements, financing change statements, continuation financing statements and all other documents that Bank may reasonably determine to be necessary to perfect and maintain Bank's security interests in the Collateral, all at Borrower's expense. Borrower hereby waives any right to receive a copy of any financing statement or financing change statement so registered or a copy of any verification statement with respect to any financing statement or financing change statement so registered. Borrower shall have possession of the Collateral, except where expressly otherwise provided in this Agreement or where Bank chooses to perfect its security interest by possession, whether or not in addition to the filing of a financing statement. Where Collateral is in the possession of a third party, Borrower shall join with Bank in notifying the third party of Bank's security interest and obtaining an acknowledgement from the third party that it is holding the Collateral for the benefit of Bank. Borrower shall provide Bank with "control" (as such term is construed in accordance with the PPSA and the Securities Transfer Act (Alberta) with respect to Collateral consisting of Securities Accounts, Investment Property and any other Collateral that such Securities Transfer Act is applicable to, and, if requested shall cooperate with Bank to enter into blocked account agreements with respect to deposit accounts. Borrower will not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to Bank indicating that Bank has a security interest in the Chattel Paper. Borrower shall pay the cost of filing or recording all financing statement(s) and other documents. Borrower agrees to promptly execute and deliver to Bank all financing statements, continuation financing statements, assignments, certificates of title, applications for vehicle titles, affidavits, reports, notices, schedules of Accounts, designations of Inventory, letters of authority and all other documents that Bank may reasonably request in form satisfactory to Bank to perfect and maintain Bank's security interests in the Collateral. In order to fully consummate all of the transactions contemplated hereunder, Borrower shall make appropriate entries on its books and records disclosing Bank's security interests in the Collateral. Notwithstanding anything to the contrary contained in this Agreement, nothing in this Agreement is intended or shall be deemed to subordinate Crestmark's security interest to any Permitted Encumbrance (as defined below).

4. **REPRESENTATIONS AND WARRANTIES:** Borrower represents and warrants that: (a) the Collateral is free and clear of all liens or security interests, except Bank's security interest and any liens and security interests described on Exhibit A attached hereto ("Permitted Encumbrances"); (b) all Chattel Paper constituting Collateral evidences a perfected security interest in the goods covered by it free from all other liens and security interests; (c) Bank has a first priority security interest in the Collateral subject only to any Permitted Encumbrance described on Exhibit A attached hereto; (d) if Inventory is represented or covered by Documents of Title, Borrower is the owner of the Documents of Title free of all liens and security interests other than Bank's security interest and warehousemen's charges, if any, not delinquent; (e) Borrower's exact legal name and the address of Borrower's chief executive office are as set forth in the first paragraph of this Agreement; (f) the Province under which Borrower is organized is as set forth in the first paragraph of this Agreement; (g) all Collateral consisting of Goods is located in the Province where Borrower's chief executive office is located except as otherwise disclosed in Exhibit A attached hereto; (h) the Collateral, wherever located, is covered by this Agreement; (i) each Account, Chattel Paper and General Intangible constituting Collateral is genuine and enforceable against the account debtor according to its terms, and it, and the transaction out of which it arose, comply with all applicable laws and regulations, the amount represented by Borrower to Bank as owing by each account debtor is the amount actually owing and is not subject to setoff, credit, allowance or adjustment except any discount for prompt payment, nor

has any account debtor returned the goods or disputed his liability, there has been no default according to the terms of any such Collateral, and no step has been taken to foreclose the security interest it evidences or to otherwise enforce its payment; (j) the execution and delivery of this Agreement and any instruments evidencing Liabilities will not violate nor constitute a breach of Borrower's Articles, By-Laws or other organizational documents, or any agreement or restriction of any type whatsoever to which Borrower is a party or is subject; (k) all financial statements and information relating to Borrower delivered or to be delivered by Borrower to Bank are true and correct and prepared in accordance with generally accepted accounting principles, and there has been no material adverse change in the financial condition of Borrower since the submission of any such financial information to Bank; (l) there are no actions or proceedings which are threatened or pending against Borrower which might result in any material adverse change in Borrower's financial condition or which might materially affect any of Borrower's assets; and (m) Borrower has duly filed all federal, state, provincial and other governmental tax returns which Borrower is required by law to file, and will continue to file same during such time as any of the Liabilities hereunder remain owing to Bank, and all such taxes required to be paid have been paid, in full.

5. **COVENANTS:** Borrower covenants and agrees that while any of the Liabilities remain unperformed and unpaid it shall: (a) preserve its legal existence and not, in one transaction or a series of related transactions, amalgamate with, merge or wind up or liquidate into, consolidate with any other entity, or sell all or substantially all of its assets; (b) not change the Province where it is located; (c) neither change its name, form of business entity, address of its chief executive office nor address of the location of its assets without giving written notice to Bank thereof at least thirty (30) days prior to the effective date of such change, and Borrower agrees that all documents, instruments, and agreements demanded by Bank in response to such change shall be prepared, filed, and recorded at Borrower's expense prior to the effective date of such change; (d) not use the Collateral, nor permit the Collateral to be used, for any unlawful purpose, whatsoever; (e) maintain the Collateral in good condition and repair; and (f) indemnify and hold Bank harmless against claims of any persons or entities not a party to this Agreement concerning disputes arising over the Collateral.

6. **BORROWER REMAINS LIABLE:** Anything contained herein to the contrary notwithstanding, (a) Borrower shall remain liable under the contracts and agreements included in the Collateral to perform all of its duties and obligations to the same extent as if this Agreement had not been executed, (b) the exercise by Bank of any of its rights under the Loan Agreement, this Agreement or any other agreement between Borrower and Bank shall not release Borrower from any of its duties or obligations under the contracts and agreements included in the Collateral and (c) Bank shall have no obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall Bank be obligated to perform any of the obligations or duties of Borrower thereunder or to take any action to collect or enforce any claim for payment assigned thereunder.

7. **INSURANCE, TAXES, ETC.:** Borrower shall (a) pay all taxes, levies, assessments, judgments and charges of any kind upon or relating to the Collateral, to Borrower's business, and to Borrower's ownership or use of any of its assets, income or gross receipts; (b) at its own expense, keep and maintain all of the Collateral fully insured against loss or damage by fire, theft, explosion and other risks in such amounts, with such companies, under such policies and in such form as shall be satisfactory to Bank, which policies shall expressly provide that loss thereunder shall be payable to Bank as its interest may appear (and Bank shall have a security interest in the proceeds of such insurance and may apply any such proceeds which may be received by it toward payment of Borrower's Liabilities, whether or not due, in such order of application as Bank may determine); (c) maintain at its own expense public liability and property damage insurance in such amounts with such companies, under such policies and in such form as shall be reasonably satisfactory to Bank; and, upon Bank's request, shall furnish Bank with such policies and evidence of payment of premiums thereon. If Borrower at any time hereafter should fail to obtain or maintain any of the policies required above or pay a premium in whole or in part relating thereto, or shall fail to pay any such tax, assessment, levy, or charge or to discharge any such lien or encumbrance, then Bank, without waiving or releasing any obligation or default of Borrower hereunder, may at any time hereafter (but shall be under no obligation to do so) make such payment or obtain such discharge or obtain and maintain such policies of insurance and pay such premiums, and take such action with respect thereto as Bank deems advisable. All sums so disbursed by Bank, including reasonable legal fees, court costs,

expenses, and other charges relating thereto, shall be part of Borrower's Liabilities, secured hereby, and payable on demand.

8. **INFORMATION:** Borrower shall permit Bank or its agents to have access to and to inspect and verify the Collateral in the name of Bank or Borrower. Borrower will make same available at any time for such purposes. In addition, Borrower shall promptly supply Bank with financial and such other information concerning its affairs and assets as Bank may request from time to time.

9. **CARE, CUSTODY, AND DEALINGS WITH COLLATERAL:** Bank shall have no liability to Borrower with respect to Bank's care and custody of any Collateral in Bank's possession and shall have no duty to sell, surrender, collect or protect the same or to preserve rights against prior parties or to take any action with respect thereto beyond the custody thereof, exercising that reasonable custodial care which it would exercise in holding similar interests for its own account. Bank shall only be liable for its acts of gross negligence. Bank is hereby authorized and empowered to take the following steps, either prior or subsequent to default hereunder: (a) to deal directly with issuers, entities, owners, transfer agents and custodians to effect changes in the registered name of any such Collateral, to effect substitutions and replacements thereof necessitated by any reason (including by reason of recapitalization, merger, acquisition, debt restructuring or otherwise), to execute and deliver receipts therefor and to take possession thereof; (b) to communicate and deal directly with payors of instruments (including securities, promissory notes, letters of credit, certificates of deposits and other instruments), which may be payable to or for the benefit of Borrower at any time, with respect to the terms of payment thereof; (c) in Borrower's name, to agree to any extension of payment, any substitution of Collateral or any other action or event with respect to the Collateral; (d) to notify parties who have an obligation to pay or deliver anything of value (including money or Investment Property) with respect to the Collateral, including Account Debtors, to pay or deliver the same directly to Bank on behalf of Borrower and to receive and receipt for any such payment or delivery in Borrower's name as an addition to the Collateral; (e) to surrender renewable certificates or any other instruments or securities forming a portion of the Collateral which may permit or require reissuance, renewal or substitution at any time and to immediately take possession of and receive directly from the issuer, maker or other obligor, the substituted instrument or securities; (f) to exercise any right which Borrower may have with respect to any portion of the Collateral, including rights to seek and receive information with respect thereto; and (g) to do or perform any other act and to enjoy all other benefits with respect to the Collateral as Borrower could in its own name.

10. **DISPOSITION OF COLLATERAL:** Bank does not authorize, and Borrower agrees not to make any sales or leases of any of the Collateral, license any of the Collateral, or grant any other security interest in any of the Collateral; provided, however, that until such time as Bank shall notify Borrower of the revocation of such power and authority, Borrower (a) may only in the ordinary course of its business, at its own expense, sell, lease or furnish under contracts of service any of the inventory normally held by Borrower for such purpose; (b) may use and consume any raw materials, work in process or materials, the use and consumption of which is necessary in order to carry on Borrower's business; and (c) will at its own expense, endeavor to collect, as and when due, all accounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as Bank may reasonably request or, in the absence of such request, as Borrower may deem advisable. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt. To the extent Borrower uses any proceeds of any of the Liabilities to purchase Collateral, Borrower's repayment of the Liabilities shall apply on a "first-in-first-out" basis so that the portion of the Liabilities used to purchase a particular item of Collateral shall be deemed paid in the chronological order Borrower purchased the Collateral.

11. **DEFAULT:**

A. The occurrence of any of the following events without notice or demand of any kind, shall constitute a "default" under this Agreement; (a) the non-payment, when due, of any amount payable on any of the Liabilities or any extension or renewal thereof or the failure to perform any agreement of Borrower contained herein, in any agreement between Bank and Borrower or other writing furnished by Borrower to Bank; (b) any statement, representation or warranty of Borrower herein, in any agreement between Bank and Borrower or other writing furnished by Borrower to Bank, at any time, is untrue in any respect as of the date made; (c) any Obligor (which term, as used herein, shall mean Borrower and each

other party primarily or secondarily liable on any of the Liabilities, including but not limited to any guarantors) becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors, conveys any assets to a trustee for the benefit of Obligor's creditors, conveys substantially all of its assets, or any proceeding is instituted by or against any Obligor alleging that such Obligor is insolvent or unable to pay debts as they mature or the institution by or against such Obligor of any other type of insolvency proceeding under the United States Federal Bankruptcy Act, the Bankruptcy and Insolvency Act (Canada), Companies' Creditors Arrangement Act (Canada) or otherwise; (d) entry of any final judgment, and the expiration of any appeal period related thereto, against any Obligor or order of attachment, execution, sequestration or other order in the nature of a writ is levied on the Collateral; (e) dissolution, merger, consolidation, or transfer of a substantial part of the property of any Obligor; or (f) the occurrence of a Default as set forth in the Loan Agreement.

B. Upon the occurrence of a default, the notes and all other Liabilities may (notwithstanding any provisions thereof) at the option of Bank and without demand or notice of any kind, be declared, and thereupon immediately shall become due and payable, and Bank may exercise from time to time any rights and remedies, including the right to immediate possession of the Collateral, available to it under the Loan Agreement, the promissory note granted in favour of Bank by Borrower (the "Note") and any other document collateral or ancillary to the Loan Agreement and the Note (the Loan Agreement, the Note and any other document collateral or ancillary thereto being collectively, the "Loan Documents") and any applicable law, in equity or otherwise. Borrower agrees to assemble, at its expense, all the Collateral at a convenient place acceptable to Bank and to pay all costs of Bank of collection of the notes and all other Liabilities, and to pay all costs of the enforcement of this Agreement, including reasonable legal fees and expenses of locating the Collateral and repairing any realty or other property to which any of the Collateral may be affixed or be a part.

C. If any notification of intended disposition of any of the Collateral is required by law, unless otherwise provided by such law, such notification, if mailed, shall be deemed reasonably and properly given if sent at least five (5) days before such disposition, postage pre-paid, addressed to Borrower either at the address shown above or at any other address of Borrower appearing on the records of Bank and to such other parties as may be required by the PPSA. Borrower acknowledges that Bank may be unable to effect a public sale of all or any portion of the Collateral because of certain legal and/or practical restrictions and provisions which may be applicable to the Collateral and, therefore, may be compelled to resort to one or more private sales to a restricted group of offerees and purchasers. Borrower consents to any such private sale so made even though at places and upon terms less favorable than if the Collateral were sold at public sale. Bank shall have no obligation to clean-up or otherwise prepare the Collateral for sale. Bank may comply with any applicable provincial or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. Bank may specifically disclaim any warranties as to the Collateral. If Bank sells any of the Collateral upon credit, Borrower will be credited only with payments actually made by the purchaser, received by Bank and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Bank may resell the Collateral and Borrower shall be credited with the proceeds of sale. Bank shall have no obligation to marshal any assets in favor of Borrower. Borrower waives the right to jury trial in any proceeding instituted with respect to the Collateral. Out of the net proceeds from sale or disposition of the Collateral, Bank shall retain all the Liabilities then owing to it and the actual cost of collection (including reasonable legal fees) and shall tender any excess to Borrower or its successors or assigns. If the Collateral shall be insufficient to pay the entire Liabilities, Borrower shall pay to Bank the resulting deficiency upon demand. Borrower expressly waives any and all claims of any nature, kind or description which it has or may hereafter have against Bank or its representatives, by reason of taking, selling or collecting any portion of the Collateral. Borrower consents to releases of the Collateral at any time (including prior to default) and to sales of the Collateral in groups, parcels or portions, or as an entirety, as Bank shall deem appropriate. Borrower expressly absolves Bank from any loss or decline in market value of any Collateral by reason of delay in the enforcement or assertion or nonenforcement of any rights or remedies under this Agreement. Borrower agrees that Bank shall, upon the occurrence of a default, have the right to peacefully retake any of the collateral. Borrower waives any right it may have in such instance to a judicial hearing prior to such retaking.

D. BORROWER AGREES THAT BANK SHALL, IN THE EVENT OF ANY DEFAULT, HAVE THE RIGHT TO PEACEFULLY TAKE OR RETAKE ANY OF THE COLLATERAL, BORROWER WAIVES ANY RIGHT IT MAY HAVE, IN SUCH INSTANCE, TO A JUDICIAL HEARING PRIOR TO SUCH TAKING OR RETAKING.

12. **REMEDIES:**

A. Upon default, Bank may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Bank, or not, to be a receiver or receivers (hereinafter called a "Receiver"), which term when used herein shall include a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of Borrower and not Bank, and Bank shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of Borrower and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Borrower, enter upon, use and occupy all premises owned or occupied by Borrower wherein the Collateral may be situate, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on Borrower's business or as security for loans or advances to enable him to carry on Borrower's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by Bank, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to Bank. Every such Receiver may, in the discretion of Bank, be vested with all or any of the rights and powers of Bank.

B. Upon default, Bank may, either directly or through its agents or nominees, exercise all the powers and rights given to a Receiver by virtue of the foregoing sub-clause.

C. Upon default, Bank may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Bank may sell, lease or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Bank may seem reasonable.

D. In addition to those rights granted herein and in any other agreement now or hereafter in effect between Borrower and Bank and in addition to any other rights Bank may have at law or in equity, Bank shall have, both before and after default, all rights and remedies of a secured party under the PPSA. Provided always, that Bank shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of the Collateral or to institute any proceedings for such purposes. Furthermore, Bank shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether the Collateral or proceeds and whether or not in Bank's possession and shall not be liable or accountable for failure to do so.

E. Borrower acknowledges that Bank or any Receiver appointed by it may take possession of the Collateral wherever it may be located and by any method permitted by law and Borrower agrees upon request from Bank or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed.

F. Borrower agrees to pay all costs, charges and expenses reasonably incurred by Bank or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitor's and auditor's costs and other legal expenses and Receiver remuneration), in operating Borrower's accounts, in preparing or enforcing this security agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of the Collateral and in enforcing or collecting the Obligations and all such costs, charges and expenses, together with any monies owing as a result of any

borrowing by Bank or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of the Collateral and shall be secured hereby.

G. In the event of the sale of the repossessed the Collateral or any part of it by public or private sale or otherwise, for the account of Borrower, gives rise to a deficiency between the amount realized from such sale and the full amount owing from Borrower to Bank in respect of all liabilities and obligations to Bank, Borrower shall immediately pay Bank the full amount of such deficiency.

H. Unless the Collateral in question is perishable or unless Bank believes on reasonable grounds that the Collateral in question will decline speedily in value, Bank will give Borrower such notice of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made, as may be required by the PPSA.

I. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower irrevocably constitutes and appoints Bank as the true and lawful attorney of Borrower with power of substitution in the name of Borrower to do any and all acts and things, complete any endorsements or registrations and execute and deliver all agreements, documents and instruments as Bank, in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this Agreement or to exercise its rights and remedies, provided that such power of attorney shall not be exercised until a Default has occurred. This power of attorney being coupled with an interest shall not be revoked or terminated by any act and shall remain in full force and effect until this Agreement has been terminated.

J. Borrower, at its own expense, shall at all times promptly do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and shall promptly provide such further documents or instruments required by Bank as may be necessary or desirable to effect the purpose of this Agreement and carry out its provisions, and for the better granting, transferring, assigning, charging, setting over, assuring, granting control over, confirming or perfecting the security interests created hereby and the priority accorded to them by law or under this Agreement or to enable Bank to exercise and enforce its rights and remedies hereunder.

13. **GENERAL:** Time shall be deemed of the very essence of this Agreement. Bank shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if it takes such action for that purpose as Borrower requests in writing, but failure of Bank to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and failure of Bank to preserve or protect any rights with respect to such Collateral against any prior parties or to do any act with respect to the preservation of such Collateral not so requested by Borrower shall not be deemed a failure to exercise reasonable care in the custody and preservation of such Collateral. Any delay on the part of Bank in exercising any power, privilege or right hereunder, or under any other instrument executed by Borrower to Bank in connection herewith shall not operate as a waiver thereof, and no single or partial exercise thereof, or the exercise of any other power, privilege or right shall preclude other or further exercise thereof, or the exercise of any other power, privilege or right. The waiver by Bank of any default by Borrower shall not constitute a waiver of any subsequent defaults, but shall be restricted to the default so waived. If any part of this Agreement shall be contrary to any law which Bank might seek to apply or enforce, or should otherwise be defective, the other provisions of this Agreement shall not be affected thereby, but shall continue in full force and effect. All rights, remedies and powers of Bank hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies and powers given hereunder or in or by any other instruments or by the PPSA, or any laws now existing or hereafter enacted.

This Agreement shall be construed in accordance with and governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein. BORROWER AGREES THAT ANY ACTION TO ENFORCE BORROWER'S OBLIGATIONS TO BANK SHALL BE PROSECUTED IN THE COURTS OF THE PROVINCE OF ALBERTA (UNLESS BANK, IN ITS SOLE DISCRETION, ELECTS SOME OTHER JURISDICTION), AND BORROWER IRREVOCABLY ATTORNS AND SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF ALBERTA PROVIDED THAT NOTHING SHALL PREVENT BANK FROM PROCEEDING AT ITS ELECTION IN ANY OTHER COURT SELECTED BY

BANK. BORROWER WAIVES ANY AND ALL RIGHTS TO CONTEST THE JURISDICTION AND VENUE OF ANY ACTION BROUGHT IN THIS MATTER AND BORROWER MAY BRING ANY ACTION AGAINST BANK ONLY IN THE COURTS OF THE PROVINCE OF ALBERTA. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

The rights and privileges of Bank hereunder shall inure to the benefit of its successors and assigns and this Agreement shall be binding on all heirs, executors, administrators, assigns and successors of Borrower.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all signatures were upon the same instrument. Delivery of an executed counterpart of the signature page to this Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement, and any party delivering such an executed counterpart of the signature page to this Agreement by facsimile or electronic mail to any other party shall thereafter also promptly deliver a manually executed counterpart of this Agreement to such other party, provided that the failure to deliver such manually executed counterpart shall not affect the validity, enforceability, or binding effect of this Agreement.

14. **ENTIRE AGREEMENT:** Borrower acknowledges that this Agreement together with the Loan Documents set forth the entire Agreement between the parties except to the extent that writings signed by the party to be charged are specifically incorporated herein by reference either in this Agreement or in such writings, and acknowledges receipt of a true and complete copy of this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto execute this Agreement on the date and year first written above.

"BORROWER"

MANTLE MATERIALS GROUP, LTD.,
an Alberta corporation

By: 
Name: John Jeffrey Ryks
Its: Chief Financial Officer

I have the Authority to Bind the Corporation

"BANK"

CRESTMARK, A DIVISION OF METABANK,
NATIONAL ASSOCIATION


By: 
Name: LISA SPENCE
Its: VICE PRESIDENT

EXHIBIT A

LIST OF EQUIPMENT:

(attach schedule if necessary)

None.

PERMITTED ENCUMBRANCES:

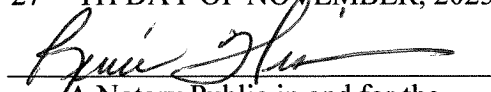
"Permitted Encumbrances" shall have the meaning ascribed to that defined term as set out on the Loan Agreement, which include the following filings made under the Alberta *Personal Property Security Act*:

- PPSA filing no. 21100725361, filed on October 7, 2021 by Secured Party, Travelers Restructuring Capital Inc.
- PPSA filing no. 20110921992, filed on November 9, 2020 by Secured Party, ATB Financial.
- The following PPSA filings, filed by Secured Parties, Fiera Private Debt Fund V LP, as collateral agent, Fiera Private Debt Fund V LP and Fiera Private Debt Fund VI LP:
 - PPSA file no. 17040638801 filed on 4/6/2017
 - PPSA file no. 18062002625 filed on 6/20/2018
 - PPSA file no. 20031623522 filed on 3/16/2020
- The following PPSA filings, filed by Secured Parties, Fiera Private Debt Fund V LP and Fiera Private Debt Fund VI LP:
 - PPSA file no. 20100116475 filed on 10/1/2020
 - PPSA file no. 20100116566 filed on 10/1/2020
- PPSA filing number 19011424597, filed on January 14, 2019 by Canadian Western Bank – Credit Support, NAB Region.

LOCATION OF COLLATERAL:

Throughout the Province of Alberta

THIS IS EXHIBIT "L" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

LOAN AND SECURITY

AGREEMENT DATED

OCTOBER 8, 2021

AMONG

TRAVELERS RESTRUCTURING CAPITAL INC., having an office at 400-4180 Lougheed Highway, Burnaby, BC V5C 6A7

-AND-

MANTLE MATERIALS GROUP, LTD., having an office at 9043 22 Ave SW, Edmonton, AB, T6X 1Z6

In consideration of the covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **INTERPRETATION:** For the purpose of this Agreement:
 - (a) **“Agreement”** means this Loan and Security Agreement, as may be amended, restated or replaced from time to time together with each Schedule, unless the context otherwise requires, and “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement;
 - (b) **“ATB Agreement”** means, collectively, the letter loan agreement dated December 19, 2017 between JMB Crushing Systems ULC (an amalgamation predecessor to the Borrower) and ATB Financial (by its former name, Alberta Treasury Branches), as amended by a first amending agreement dated June 21, 2017, as further amended by a second amending agreement dated June 7, 2018 and as supplemented by an agreement governing ATB assumed debt dated as of April 26, 2021;
 - (c) **“Borrower”** means Mantle Materials Group, Ltd., and their respective permitted assigns and successors;
 - (d) **“Business Day”** means a day when Lender’s office at the address of Lender stated herein is open for business, excluding Saturdays, Sundays and statutory holidays in the Provinces of Alberta and British Columbia;
 - (e) **“Collateral”** means the Equipment and any other property and assets which are charged by the Security Documents;

- (f) “**Commencement Date**” means the loan commencement date specified in a Schedule;
- (g) “**Conditions Precedent**” has the meaning given to it in Section 4 hereof;
- (h) “**Equipment**” means the equipment and other personal property set out in a Schedule together with all additions, parts, attachments and accessories now or hereafter attached to or forming a part thereof, any substitutions, repairs, replacements, related software, and all proceeds therefrom including trade-ins, chattel paper, documents of title, contract rights, rental payments, insurance payments and other property and obligations received as a result of the equipment being sold, dealt with or otherwise disposed of;
- (i) “**Equipment Collateral**” has the meaning given to such term in Section 12 hereof;
- (j) “**Financed Amount**” means the amount stated in a Schedule as owing by Borrower to Lender or the unpaid outstanding balance thereof, as the context requires;
- (k) “**Financing Rate**” means the rate per annum payable on a Financed Amount as stated in the applicable Schedule;
- (l) “**Guarantor**” means any person or individual who guarantees the indebtedness of Borrower to Lender arising under this Agreement;
- (m) “**Lender**” means Travelers Restructuring Capital Inc. and its assigns and successors;
- (n) “**Loan**” has the meaning given to such term in Section 2 hereof;
- (o) “**Loan Documentation Fee**” has the meaning given to it in Section 8 hereof;
- (p) “**Loan Fee**” has the meaning given to such term in Section 8 hereof;
- (q) “**Loan Payment**” means in respect of a Loan, a payment of principal, principal and interest, or interest-only, as specified in the applicable Schedule;
- (r) “**Material Adverse Effect**” means a material adverse effect:
 - i. on the financial condition, business, business prospects, operations, continuance of operations, results of operation, real property or other assets of Borrower or Guarantor;
 - ii. on the validity or enforceability of this Agreement or any of the Security Documents; and

- iii. on the ability of Borrower or Guarantor, taken as a whole, to perform their obligations under this Agreement or the Security Documents;
- (s) **“Obligations”** means all debts, all present and future liabilities and obligations of the Borrower to Lender under this Agreement (for further certainty including any related Schedule) and under any of the Security Documents, or any other agreement existing from time to time between the Borrower and Lender, including but not limited to the Financed Amount, interest thereon, other amounts payable under this Agreement, a Schedule, any of the Security Documents, any other amount which may be owing by the Borrower to the Lender under the subject or any other financing agreement, or the performance of any obligations of the Borrower under this Agreement;
 - (t) **“Overdue Payment”** means any amount owing by Borrower hereunder and any sum disbursed by Lender pursuant to Section 22 which is not paid when due hereunder, or any portion thereof.
 - (u) **“Permitted Encumbrances”** means:
 - i. liens for taxes, assessments or governmental charges not yet due or delinquent;
 - ii. liens arising in connection with workers’ compensation, unemployment insurance, pension, employment or other social benefits laws or regulations which are not yet due or delinquent;
 - iii. easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower;
 - iv. undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent;
 - v. liens arising by operation of law such as builders’ liens, carriers’ liens, materialmens’ liens and other liens of a similar nature incurred in the ordinary course of business which relate to obligations not due or delinquent;

- vi. liens incidental to the conduct of business or the ownership of property and assets not incurred in connection with the borrowing of money or obtaining credit and which do not, in the aggregate, detract in any material way from the value or usefulness of the property and assets of the Borrower;
- vii. banker's liens, rights of set-off or compensation with respect to deposit accounts or the funds maintained with a creditor depository institution;
- viii. liens in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, in the aggregate, will not materially impair the use of such land for the purposes for which such land is held;
- ix. liens given by the Borrower to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrower;
- x. the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- xi. liens securing purchase money obligations not exceeding an aggregate of \$100,000, provided that such security interests do not attach to the Equipment Collateral;
- xii. landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent, provided that such liens do not attach generally to the Equipment Collateral or all or substantially all of the undertaking, assets and property of the Borrower;
- xiii. deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money), (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Borrower is a party, or (iii) letters of credit or bonds securing the Borrower's reclamation and remediation obligations under surface material agreements and royalty agreements;
- xiv. security interests and charges granted in favour of ATB Financial pursuant to the ATB Agreement, provided that such security interests shall not extend to the Equipment Collateral;
- xv. security interests and charges granted in favour of the Senior Lender

pursuant to the Senior Loan Agreement, provided that such security interests shall not rank in priority to the Lender's interest in the Equipment Collateral;

- xvi. security interests and charges against Borrower or Guarantor or their respective assets granted in favour of Lender; and
 - xvii. present and future security interests and charges against Borrower or Guarantor or their respective assets that are agreed to by Lender in writing and are subject of priority or subordination agreements on terms acceptable to Lender;
- (v) “**Schedule**” means each loan schedule executed by Borrower, Guarantor and Lender from time to time and which refers to and incorporates by reference this Agreement, as it may be amended, restated or replaced from time to time;
 - (w) “**Security Documents**” has the meaning given to it in Section 13 hereof;
 - (x) “**Senior Lender**” means, collectively, Fiera Private Debt Fund VI LP, by its general partner, Fiera Private Debt Fund GP Inc. and Fiera Private Debt Fund V LP, by its general partner, Fiera Private Debt Fund GP Inc.;
 - (y) “**Senior Loan Agreement**” means the loan agreement dated as of April 26, 2021 between, *inter alios*, the Borrower and the Senior Lender;
 - (z) “**Term**” means the term specified in a Schedule; and
 - (aa) “**Termination Date**” means the loan termination date specified in a Schedule.
2. **LOAN AND LOAN PAYMENTS:** Borrower hereby acknowledges that it has borrowed from Lender and is thereby, or has otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated herein or such other place notified by Lender to Borrower, the Financed Amount, together with interest thereon, by paying the Loan Payments. Unless otherwise set out in Schedule, the first Loan Payment is payable on the first day of the calendar month following the Commencement Date and subsequent Loan Payments on the first day of each month thereafter throughout the Term. On the Termination Date, Borrower shall pay Lender the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder. Loan Payments and any other amounts due are payable to Lender shall be paid without counterclaim, defence, set off or abatement. Each Schedule shall constitute a separate loan from Lender to Borrower, in each case on the terms and conditions set out in this Agreement and such Schedule (each, a “**Loan**”). In the event of any conflict between any provision of this Loan and Security Agreement and any provision in any Schedule hereto, the provision of such Schedule shall prevail with respect to the Loan affected thereby.
3. **APPLICATION OF PAYMENTS:** All Loan Payments will be applied in the following

order:

- (a) any prepayment charge or fee (if applicable);
- (b) any outstanding protective disbursements required under this Agreement, including any insurance premium payments, as applicable;
- (c) payment arrears, in the following order: (i) commitment, transaction and amendment fees, (ii) Lender costs and expenses in accordance with structuring, executing, and facilitating this Agreement, (iii) interest, and (iv) principal;
- (d) current balances, in the following order (i) commitment, transaction and amendment fees, (ii) Lender costs and expenses in accordance with structuring, executing, and facilitating this Agreement, (iii) interest, and (iv) principal; and
- (e) other amounts due and payable under this Agreement and the Schedules hereto and any amendments thereof.

Lender may apply any monies received by it, before or after default, to any debt Borrower may owe Lender under or pursuant to this Agreement or any other agreement and Lender may change those applications from time to time in its sole discretion. Notwithstanding anything to the contrary herein, any partial or late payments shall be applied against any part of the indebtedness owing hereunder by Borrower to Lender as Lender may see fit in its sole and absolute discretion and Lender shall at all times and from time to time have the right to change any application of any late or partial payment received by it and to re-apply the same on any part or parts of such indebtedness as Lender may see fit in its sole and absolute discretion, notwithstanding any previous application.

4. CONDITIONS PRECEDENT: The obligation of Lender to enter into any Loan and advance the Financed Amount is subject to the fulfilment of the following conditions precedent (each to be satisfied or waived in the sole discretion of Lender) (collectively, the “**Conditions Precedent**”):

- (a) approval of the loan by the credit committee of Lender;
- (b) execution of this Agreement and the Security Documents by Borrower and Guarantor (if applicable), in a form satisfactory to Lender in its sole discretion;
- (c) registration of this Agreement and Security Documents, where applicable;
- (d) payment by Borrower to Lender of any Loan Documentation Fee or Loan Fee;

- (e) receipt by Lender, on an itemized basis, of complete descriptions of the Equipment, including make (manufacturer), model number(s), serial number(s) of all major components, together with photos and original purchase orders or invoices for the Equipment, proof of registration, if applicable, and proof of payment; **[satisfied]**
- (f) receipt by Lender of the constating documents of Borrower and Guarantor, as applicable;
- (g) satisfaction of Lender's AML/KYC requirements;
- (h) an appraisal completed by an appraisal firm satisfactory to Lender, confirming a satisfactory minimum value and condition of the Equipment; **[satisfied]**
- (i) receipt of waivers and priority and subordinations agreements as required by Lender to give rise and effect to the Security Documents and to the priority rankings contemplated herein;
- (j) satisfactory review by Lender of appraisals commissioned by Borrower in respect of any real property owned by the Borrower and, if required by the Lender, reliance letters in favour of Lender from the appraiser; **[satisfied/ waived]**
- (k) satisfactory review by Lender of any and all environmental reports in respect of any real property owned by Borrower and if required by the Lender reliance letters in favour of Lender from the applicable environmental firm; **[satisfied/ waived]**
- (l) satisfactory review by Lender of any and all existing and previously issued demand notices, forbearance agreements and court materials between each of Borrower and Guarantor and their existing creditors; **[satisfied/ waived]**
- (m) satisfactory review by Lender of any and all leases with respect to tenants in occupancy of any real property of Borrower, as applicable; **[satisfied/ waived]**
- (n) Lender shall have conducted and be satisfied with an inspection of the Equipment and site inspection of Borrower's premises; **[satisfied/ waived]**
- (o) the delivery to and satisfactory review by Lender of evidence that no amounts are owed to unpaid vendors who have a right of repossession, rights of set-off, or any amounts owing to creditors which may claim priority by statute or under a lien; **[satisfied/ waived]**
- (p) satisfactory review of any and all existing lending agreements entered into by Borrower that may impact performance of Borrower of this Agreement or bind Borrower to any payment, reporting, security, or covenant obligations; **[satisfied]**

- (q) corporate and financial information on Borrower and Guarantor, including but not limited to the following:
- i. an organizational chart for Borrower highlighting shareholder ownership and collateral ownership; **[satisfied/ waived]**
 - ii. a comprehensive asset and liability summary of the Borrower, inclusive of the required fixed and floating recurring payments of principal and interest on all existing credit, lease, and rental facilities; **[satisfied/ waived]**
 - iii. a 12-month future looking pro-forma income statement for Borrower on a consolidated basis, inclusive of a year-to-date statement from the most recent fiscal year-end, plus evidence of any and all material contracts for work-in-place; **[satisfied/ waived]**
 - iv. a 13-week or 12-month future looking pro-forma cash flow forecast for Borrower on a consolidated basis, inclusive of working capital requirements, capital expenditures and forecasted accounts receivable and collections, as applicable; **[satisfied/ waived]**
 - v. unaudited financial statements for Borrower since emerging from CCAA proceedings; **[satisfied/ waived]** and
 - vi. any other financial/ownership information at the request of the Lender (acting reasonably),
- (r) receipt and satisfactory review by Lender of amended certificates of insurance for the Collateral and Borrower, including general liability insurance policy;
- (s) receipt and satisfactory review by Lender that all property taxes and utilities are fully paid and up to date for any real property of Borrower;
- (t) receipt of certificates of officer, resolutions and legal opinions, as required, by Lender;
- (u) receipt of Canada Revenue Agency representative authorization form(s) authorizing Lender view only access of Borrower Canada Revenue Agency online portal;
- (v) the delivery to and satisfactory review by Lender of evidence that all federal and provincial corporate taxes, source deductions, and sales taxes for Borrower and Guarantor are up to date, including but not limited to corporate

income tax, real property tax, statutory liens, Crown claims including employee source deductions, HST, EHT, any amounts due under *Wage Earner Protection Plan Act* and Workplace Safety and Insurance Board premiums and any other amounts owing to the Crown that would rank in priority to the Loans or the Security Documents;

- (w) satisfactory completion by Lender of all business, environmental, legal and financial due diligence, including, but not limited to, evidence that Borrower has the required licenses in place to operate the business; and
 - (x) any other conditions precedent required by Lender as set out in the Schedule relating to such Loan.
5. **TENURE OF AGREEMENT:** This Agreement will come into effect on the date it is signed by Lender and Borrower and will continue in effect as long as any Obligations remain outstanding.
 6. **INTEREST:** Each Financed Amount shall bear interest at the Financing Rate set out in the applicable Schedule from the Commencement Date until the Financed Amount is unconditionally paid in full to Lender, and shall be payable in arrears on the date of each Loan Payment. Interest payable hereunder shall accrue and be calculated daily upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be. All interest payments to be made under this Agreement in respect of the outstanding balance of the Financed Amount or any Overdue Payment, as applicable, shall be paid both before and after maturity and before and after default and/or judgment, if any, until full and unconditional payment of the outstanding balance of the Financed Amount or such Overdue Payment is made. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate multiplied by (b) the actual number of days in the calendar year in which it is to be ascertained divided by 365. The principle of deemed reinvestment shall not apply to this Agreement or any payments made by Borrower hereunder.
 7. **INTEREST ON OVERDUE PAYMENTS:** Each Overdue Payment shall bear interest from the date due until unconditionally paid in full to Lender at the rate of 24% per annum, compounded monthly, and shall be payable on demand by Lender.
 8. **FEEES:** In addition to the Loan Payments, Borrower will pay to Lender:
 - (a) the documentation and onboarding fee set out in each Schedule (each, a “**Loan Documentation Fee**”);
 - (b) the loan fee set out in each Schedule (each, a “**Loan Fee**”);
 - (c) a non-refundable annual management fee in the amount of 35 basis points multiplied by the outstanding Obligations, payable on the first anniversary of

this Agreement and each year thereafter so long as any Obligations remain outstanding; and

- (d) for each default by Borrower of a reporting or monitoring covenant in this Agreement, including but not limited to the reporting obligations set out in Section 18, a default fee of \$1,250.00 per default (or the re-occurrence of a previously waived or remedied default), such fee to be payable within five (5) Business Days of the relevant default. Receipt by Lender of such fee shall not constitute a waiver of such default and shall not relieve or discharge the Borrower from remedying such default.

- 9. **PREPAYMENT:** Except as may be expressly permitted in the applicable Schedule, no prepayments of the Financed Amount are permitted without the prior written consent of Lender.
- 10. **PRE-AUTHORIZED PAYMENT:** Borrower agrees that it will authorize Lender to automatically draw Loan Payments and all other fees due under this Agreement from Borrower's appointed financial institution via Borrower's pre-authorized payment plan. Payment by other means must receive Lender's prior approval and may be subject to a service fee at Lender's sole discretion.
- 11. **PURPOSE:** The Financed Amount is to be used only for the purpose specified in the applicable Schedule.
- 12. **SECURITY INTEREST:** As general and continuing security for the payment and performance of the Obligations, Borrower hereby grants to Lender and Lender hereby takes a security interest in: (a) the Equipment, (b) all present and after-acquired intellectual property and other intangibles relating to the Equipment; (c) all present and after-acquired contracts, chattel paper, intangibles or instruments, written or oral, for the sale, exchange, lease, license, rental, sublease or other disposition of any kind whatsoever of the foregoing; (d) all insurance claims and proceeds resulting therefrom with respect to any loss or damage to any of the foregoing; and (e) all proceeds of the foregoing in the form of chattel paper, documents of title, goods, instruments, intangibles, money, fixtures or investment property, (collectively, the "**Equipment Collateral**"), and as further general and continuing security for the payment and performance of the Obligations Borrower hereby mortgages, transfers, pledges, charges and assigns the Equipment Collateral to Lender. The security constituted hereby is in addition to and not in substitution of the Security Documents or any other security which Lender may from time to time hold or take from Borrower or any other person.
- 13. **SECURITY DOCUMENTS:** Borrower shall deliver or cause to be delivered to Lender as security for the Obligations, the following documents (collectively, the "**Security Documents**") completed in a form and manner satisfactory to Lender's counsel and registered where applicable:

- (a) security agreement granted by the Borrower to Lender granting a first ranking purchase money security interest in respect of the Equipment Collateral;
- (b) assignment of insurance coverage against the Collateral with Lender named as first loss payee and additional insured, as applicable;
- (c) postponement and subordination of any and all shareholder and related party loans owed to or by Borrower and related entities; and
- (d) such other security and documentation which Lender and its counsel deem advisable.

In addition to the above-listed security, the Borrower shall provide, at their expense, all such releases, waivers, subordinations, inter-creditor agreements, registrations, authorizations, certificates, acknowledgements and legal opinions as Lender and its solicitor may reasonably require to give effect to the foregoing.

14. INSURANCE:

- (a) Borrower shall obtain, and maintain for the entire Term, at its own expense, property damage and liability insurance against loss or damage to the Equipment, including without limitation, loss by fire, (including extended coverage) theft, collision and such other risks of loss as customarily covered by insurance on the type of Equipment and by prudent operators of business similar to that in which Borrower is engaged, in such amounts, in such form and with such insurers which shall be satisfactory to Lender. The amount of insurance on the type of Equipment shall not be less than the greater of the full replacement value of the Equipment or the Loan Payments then remaining and unpaid hereunder. Each insurance policy will name Borrower and Lender as insureds, will name Lender as first loss payee thereof and will contain a clause requiring the insurer to give Lender at least 30 days' written notice of any alterations in the terms of such policy or of the cancellation thereof.
- (b) In addition, Borrower shall maintain all risks property insurance in connection with its assets, including any real property, and business and other types of insurance, including liability insurance with respect to claims for personal injury, death or property damage, with respect to the operation of its business, all with responsible and reputable insurance companies in such amounts and with such deductibles as are customary in the case of businesses of established reputation engaged in the same or similar businesses and in any event as are acceptable to Lender. Each insurance policy will name Borrower and Lender as insureds, will name Lender as first loss payee thereof and will contain a clause requiring the insurer to give Lender at least 30 days' written notice of any alterations in the terms of such policy or of the cancellation thereof.
- (c) At Lender's request, Borrower shall furnish to Lender certificates of insurance,

or other evidence satisfactory to Lender, that such insurance coverage is in effect, provided, however that Lender shall be under no duty to ascertain the existence of, or to examine such insurance policy, or to advise Borrower in the event such insurance shall not comply with the requirements hereof. Borrower further agrees to give Lender prompt notice of any damage or loss of the Equipment, other assets of Borrower, or any part thereof.

- (d) Borrower will, at its expense, make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lender that Lender desires to do so at Borrower's expense. With respect to the Equipment, proceeds of insurance will be disbursed by Lender against satisfactory invoices for repair or replacement of Equipment provided the Loan not then be in default. Performance by Borrower under this paragraph will not affect or release Borrower from the Obligations and liabilities herein elsewhere provided.

15. REPRESENTATIONS AND WARRANTIES OF BORROWER: Borrower represents and warrants in favour of Lender that:

- (a) Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of formation and has all requisite power and authority to own its assets and to carry on its business as such business is presently carried on.
- (b) Borrower has full power, capacity, authority and legal right to enter into this Agreement and the Security Documents to which it is party and to do all such acts and things are required to be done, observed and performed in accordance with the terms of this Agreement and the Security Documents to which it is party.
- (c) All corporate acts and proceedings on the part of Borrower necessary to authorize the execution, delivery and performance of this Agreement and the Security Documents to which it is party have been taken by Borrower and this Agreement and the Security Documents to which it is party have been or will be duly executed and delivered by Borrower.
- (d) Except to the extent disclosed to Lender in writing, Borrower is not in default under any agreement or instrument to which it is a party and which default would have a Material Adverse Effect.
- (e) All third party consents required by Borrower and Guarantor to enter into this Agreement and observe and perform their obligations hereunder have been obtained.
- (f) Other than as disclosed in writing to Lender, there are no actions, suits or

proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any of their undertakings and assets, at law, in equity or before any arbitrator or before any governmental department, body, commission, board, bureau, agency or instrumentality having jurisdiction in the premises in respect of which there is a reasonable possibility of a determination adverse to Borrower and which could, if determined adversely, materially and adversely affect the ability of Borrower to perform its obligations under this Agreement and the Security Documents to which it is a party, and Borrower is not in default with respect to any law, regulation, order, writ, judgment, injunction or award of any government, commission, board, agency, court, arbitrator or instrumentality which would have such an effect.

- (g) Borrower is the registered and beneficial owner of its assets, including the Equipment, and has good, valid and marketable title thereto, free and clear of all mortgages, charges, liens and other encumbrances except for Permitted Encumbrances and those mortgages, charges, liens and other encumbrances which are to be discharged and released using the proceeds of the Financed Amount.
- (h) To the best of Borrower's knowledge after due and diligent inquiry, no regulated, hazardous or toxic substances are being stored on any real property of Borrower or any adjacent property except in accordance with applicable law and industry standard, nor have any such substances been stored or used on any real property of Borrower or in Borrower's business or any adjacent property prior to Borrower's ownership, possession or control of any real property except in accordance with applicable law and industry standard.

16. AFFIRMATIVE COVENANTS: Borrower hereby covenants and agrees with Lender that unless otherwise consented to in writing by Lender:

- (a) Borrower shall duly and punctually pay the Loan Payments and all fees and other amounts required to be paid by Borrower hereunder in the manner specified in this Agreement.
- (b) Borrower shall maintain its corporate existence in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licenses and qualifications to carry on business in any jurisdiction in which it carries on business and it shall maintain all of its properties and assets consistent with industry standards.
- (c) Borrower shall do or cause to be done all acts necessary or desirable to comply with all material applicable federal, provincial, regulatory and municipal laws, requirements or standards, and to preserve and keep in full force and effect all material regulatory requirements, franchises, licenses, rights, privileges and permits necessary to enable Borrower to operate and conduct its business in accordance with standard industry practice and to advise Lender of any

anticipated changes, loss or sale of such material franchises, licenses, rights, privileges and permits.

- (d) Borrower shall give written notice to Lender within 2 Business Days of notice thereof of any dispute, contractual or financial in nature, litigation, proceeding or dispute affecting Borrower or Guarantor if either (a) the claim is greater than \$50,000, or (b) the result might, in Borrower's bona fide opinion, have a Material Adverse Effect on Borrower or Guarantor or on the operations of Borrower, or (c) the claim relates to or directly impacts the Equipment Collateral, and in each case from time to time furnish to Lender all reasonable information requested by Lender concerning the status of any such litigation, proceeding or dispute.
- (e) At any reasonable time during regular business hours upon reasonable prior notice (which for greater certainty is no longer than 5 Business Days), Borrower shall permit Lender or any representative thereof, at the expense and risk of Borrower, to examine and make copies of and abstracts from the records and books of account of Borrower, to visit and inspect the premises and properties of Borrower, and to discuss the affairs, finances and accounts of Borrower with any of the officers, senior employees or managers of Borrower.
- (f) Subject to Permitted Encumbrances, the Borrower shall keep the Collateral free of levies, mortgages, charges, liens and other encumbrances, and shall pay all license fees, registration fees, assessments, charges and taxes (Municipal, Provincial and Federal), which may be levied or assessed directly or indirectly against, or on account of the said Collateral or any interest therein or use thereof.
- (g) Borrower shall deliver to Lender, forthwith upon becoming aware of any default in the performance of any covenant, agreement or condition contained in this Agreement or the occurrence of an event of default, a certificate of an officer of Borrower, specifying such default or defaults or such event.
- (h) Borrower shall from time to time pay or cause to be paid all rents, taxes, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, levied, assessed or imposed upon Borrower or any of the assets of Borrower, as and when the same become due and payable, including all statutory liens, trust and other Crown claims including employee source deductions, income taxes, GST, PST, HST, EHT, WEPPA and WSIB premiums, except when and so long as the validity of any such rents, taxes, rates, levies, assessments, fees or dues is in good faith being contested by Borrower and such disputes have been previously disclosed in writing to Lender.
- (i) Borrower shall from time to time pay all rents and other amounts when the same become due and payable for any and all premises leased by Borrower.

- (j) Borrower shall disclose to Lender in writing any fact of which Borrower becomes aware which will result in a Material Adverse Effect, or so may reasonably foresee may result in a Material Adverse Effect.
- (k) Borrower must obtain Lender's prior written consent, before permitting shareholder(s) to sell or transfer their shares or before any change in effective voting control of Borrower by contractual or other means, provided that the Borrower shall not be required to seek consent for a share transfer with respect to any dispositions of shares of the Borrower related to management equity compensation in the ordinary course which do not cumulatively impact more than 10% of the shares in the capital of the Borrower and do not result in a change in effective voting control of the Borrower.
- (l) The Equipment is and shall at all times remain personal or movable property and shall not be affixed or attached to any lands, buildings, motor vehicles or other chattels without the prior written consent of Lender. In the event Lender grants its permission, Borrower shall install the said Equipment in a manner which will permit its removal without material injury to the Equipment or to the place of installation. Borrower shall be responsible for any damage done to any real estate, building or structure by the removal of the Equipment and shall indemnify and save harmless Lender therefrom. If the Equipment is to be delivered to leased premises Borrower shall advise Lender of the name and address of the landlord of such leased premises and upon Lender's request, obtain a postponement of the landlord's interest in the Equipment to the interest of Lender and a landlord access agreement on terms satisfactory to Lender. Notwithstanding the foregoing, the Equipment may be affixed or attached to other Equipment without the prior written consent of Lender.
- (m) The Equipment shall be located and used at the place designated in the Schedule and not elsewhere, without the prior written consent of Lender. Borrower shall cause the Equipment to be maintained and operated carefully in compliance with manufacturer's recommendations, and applicable laws and legislation, by competent and duly qualified personnel only, and for business purposes. Borrower shall comply with and conform to all Federal, Provincial, Municipal and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the Equipment. Lender shall have the right and Borrower shall allow Lender free access to inspect the Equipment Collateral on request.

17. NEGATIVE COVENANTS: Borrower hereby covenants and agrees with Lender that unless otherwise consented to in writing by Lender:

- (a) Borrower shall not amalgamate, merge, consolidate or otherwise enter into any other form of business combination with any other person.
- (b) Borrower shall not liquidate, dissolve or wind-up or take any steps or

proceedings in connection therewith.

- (c) Borrower shall not incur, assume, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to any indebtedness, except (i) indebtedness incurred pursuant to this Agreement; (ii) indebtedness for trade payable to suppliers in the ordinary course of business, (iii) indebtedness secured by or which could be secured by Permitted Encumbrances, and (iv) indebtedness hereafter approved by Lender in writing.
- (d) Borrower shall not create, issue, incur, assume or permit to exist any mortgage, charge, lien or other encumbrance on any of the assets which are the subject of the Security Documents, other than Permitted Encumbrances.
- (e) Borrower shall not grant, sell, exchange, transfer, assign, lease or otherwise dispose of the any interest in the Collateral.
- (f) Borrower shall not (i) pay distributions or dividends on any capital stock or partnership units or pay any amount to redeem, reduce, purchase or retire in any manner any capital stock, or partnership units, including without limitation, in connection with any put option agreement entered into by Borrower and its shareholders as of the date hereof or at any time hereafter, other than distributions or dividends which are made by payment of equity interests or are otherwise not paid or payable in cash; or (ii) repay any shareholder or related party loans or debentures issued by Borrower without the consent of the Lender (acting reasonably).
- (g) Borrower may not make loans to or investments in, or give guarantees or other financial assistance on behalf of others, other than guarantees or other financial assistance by the Borrower to or to the benefit of its direct or indirect shareholders which are unsecured.
- (h) Borrower shall not pay any management, consulting or similar fees or pay any other amounts whatsoever or any income to any affiliate or to any director or senior management employee of Borrower or any affiliate thereof (“**Fees**”) other than payment of income or compensation in the amounts being paid as at the Commencement Date for reasonable services rendered to, and reimbursement of expenses reasonably incurred for Borrower or Guarantor in the ordinary course of business (“**Permitted Payments**”). Other than Permitted Payments to senior management employees, including for certainty expenses incidental to or incurred in the ordinary course of their employment, no Fees shall be paid if a default exists under this Agreement or any of the Security Documents or the making of such payment will result in a default.
- (i) Borrower shall not make any alterations to the Equipment, except for routine alterations required to improve, update or certify the Equipment which do not reduce the value of the Equipment.

- (j) The use of the Equipment shall not be changed to any use which would result in a change of capital cost allowance class.
- (k) Borrower shall not undertake any actions with respect to their business operations and/or capital structure which would, in the determination of Lender, have a Material Adverse Effect on Borrower.

18. REPORTING:

- (a) Borrower shall deliver to Lender:
 - i. unaudited internally prepared, monthly financial statements of the Borrower within thirty (30) days of the end of each month;
 - ii. a compliance report signed by an officer of the Borrower within thirty (30) days of the end of each month, the effect that full payment has been made of all source deductions (employee deductions, CPP, employment insurance and goods and services tax) required by the applicable government authority have been paid in full and there are no principal interest arrears, all property taxes have been paid and Borrower is in full and complete compliance with conditions of this Agreement;
 - iii. a report setting out the sales by the Borrower of Aggregate (as defined in the Senior Loan Agreement) in the last month and the proceeds of sale of Aggregate actually received in the last month by the Borrower within thirty (30) days of each month end, including confirmation that all royalties in respect of the Aggregate have been paid in full for such month;
 - iv. monthly, within 30 days after the end of each fiscal month of Borrower, or otherwise upon request of Lender, the financial statements of Borrower, including profit & loss statements and balance sheets and schedules of accounts receivable and accounts payable;
 - v. monthly, or such other interval at Lender's sole discretion, an updated asset listing with respect to the Equipment, which includes, but is not limited to, the location and/or storing site of the Equipment;
 - vi. a report on all equipment (as defined in the Alberta *Personal Property Security Act*) purchased and sold which has a purchase or sale price, as applicable, in excess of \$50,000, including costs incurred in such sales and application of proceeds of sale, within one hundred and twenty (120) days of the end of the fiscal year;

- vii. annually, within 120 days after the end of each fiscal year of Borrower, the audited or reviewed financial statements of Borrower, including profit & loss statements and balance sheets and schedules of accounts receivable and accounts payable and cash flow statements;
 - viii. a business plan and monthly operating budget for the coming fiscal year within thirty (30) days of the end of each fiscal year, including a financial forecast, including income statements, capital expenditures statements, capital expenditure, budget, balance sheet, cash flow and a detailed list of assumptions; and
 - ix. any further information, data, financial statements and reports, accounting or banking statements which Lender may from time to time require, acting reasonably.
- (b) In addition, Borrower agrees that Lender shall be entitled to and have the right to, but not the obligation, to request the following, each at the reasonable cost of Borrower:
- i. annually, or such other interval if Lender, acting reasonably, believes its security may be materially impaired, an updated appraisal or opinion of value in respect of the Collateral satisfactory to Lender, completed by an appraisal firm satisfactory to Lender.

19. INDEMNITY: Borrower hereby indemnifies Lender and agrees to save Lender harmless from and against all loss, cost (including taxable costs on a solicitor and client basis) and expenses (including actual legal fees and disbursements incurred by Lender) whatsoever arising in connection with this Agreement, the Equipment and the use thereof, including but not limited to its manufacture, selection, purchase order, possession, use, operation or return and recovery of claims under any insurance policy relating to the Equipment and enforcement of the rights of Lender hereunder. This indemnity will survive the termination of this Agreement.

20. DEFAULT: Each of the following is a “default”:

- (a) Borrower fails to make any Loan Payment or pay any other sum owing under this Agreement or any Security Document within 3 Business Days after the same is due and payable; or
- (b) Borrower or Guarantor shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder or under the Security Documents, including any reporting requirements, provided that for the affirmative covenants contained in Section **Error! Reference source not found.** Borrower and Guarantor shall have 5 Business Days to cure any such failure; or
- (c) any representation or warranty made by Borrower or the Guarantor herein or

in any document or certificate furnished to Lender in connection herewith or pursuant hereto, including pursuant to the Security Documents, shall prove to be incorrect at any time in any material respect; or

- (d) Borrower or Guarantor fails to pay its employees in the ordinary course of business when such payments are due, provided that Borrower and Guarantor shall have 5 Business Days to cure any such default; or
- (e) Borrower or Guarantor defaults under its material obligations to governmental agencies when such obligations are due, provided that Borrower and Guarantor shall have 5 Business Days to cure any such default; or
- (f) Borrower or Guarantor fails to remit taxes or source deductions or any other amounts due to the Canada Revenue Agency when due and payable, provided that Borrower and Guarantor shall have 10 Business Days to cure any such default; or
- (g) if any event of default as defined in any indenture, agreement or instrument evidencing, or under which, any indebtedness of Borrower or Guarantor is outstanding shall have happened and be continuing, and such default either involves the failure to make any payment, whether of principal, interest or otherwise, in an amount exceeding \$50,000 or which results in the acceleration of any debt exceeding \$50,000; or
- (h) if a decree or order of a court of competent jurisdiction is entered adjudging Borrower or Guarantor a bankrupt or insolvent or approving as properly filed a petition seeking the winding-up of Borrower or Guarantor (as applicable) under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against, or against any substantial part of the assets of Borrower or Guarantor or proceedings commenced for the dissolution, liquidation or winding-up of Borrower or Guarantor; or
- (i) if a final judgment or decree for the payment of money due shall have been obtained or entered against Borrower or Guarantor in an amount which, in the reasonable opinion of Lender, would materially and adversely affect the ability of Borrower or Guarantor to fulfill its obligations to Lender under this Agreement and such judgment or decree shall not have been and remain vacated, discharged or stayed pending appeal within the applicable appeal period; or
- (j) if any of the security, as outlined in the Security Documents, shall cease to be a valid and perfected first priority security interest in the assets charged thereby as against third parties, provided that Borrower and Guarantor shall have 5 Business Days to cure any such default; or

- (k) the occurrence of a Material Adverse Effect; or
- (l) if the Equipment or any other assets charged by the Security Documents or any material part thereof is seized under legal process, confiscated, sequestered or attached or if a distress is levied thereon; or
- (m) if Borrower or Guarantor is a corporation, and (i) the control or beneficial ownership thereof changes from that which existed at the date of execution of this Agreement; (ii) changes its name without obtaining the prior notice to Lender; (iii) any special resolution is passed on other proceedings taken regarding the wind-up of the corporation; or (iv) it ceases to carry on the business presently conducted by it; or
- (n) Borrower shall suffer the loss or suspension of any licenses, permits, or other operating authorities required for the present operation of its business or any part of it, and such loss or suspension would reasonably be expected to result in a Material Adverse Effect; or
- (o) Borrower or Guarantor defaults under any other agreement with Lender or any of its affiliates.

21. REMEDIES: Upon the happening of any default Lender may, to the extent permitted by law:

- (a) appoint an individual to monitor the day-to-day operations of Borrower, with approval rights on all cash disbursements and all material contracts of Borrower; or
- (b) declare the then outstanding Loan Payments, interest, costs and all moneys owing by Borrower and all Obligations to be immediately due and payable and such moneys and liabilities shall forthwith become due and payable without presentment, demand, protest or other notice of any kind to Borrower, all of which are hereby expressly waived; or
- (c) exercise any or all of its remedies under the Security Documents or any rights and remedies available at law or in equity; or
- (d) take possession of the Equipment Collateral for the purposes of administration and for that purpose enter any premises where the Equipment is located whether or not the Equipment is affixed to any such premises, and sell, lease or otherwise dispose of the Equipment Collateral, or both, by public or private means and upon such terms and consideration as Lender may in its sole discretion accept. Borrower hereby waives any damages or claim to damages arising from any retaking of possession under the terms of this Agreement or

any Security Documents; or

- (e) terminate the Loan and by written notice to Borrower require Borrower to forthwith pay to Lender on the date specified in such notice, as a genuine pre-estimate of liquidated damages for loss of a bargain and not as penalty the present worth of the aggregate of all unpaid amounts due hereunder as rent or otherwise to the expiration of the Term (as if the Loan had not been terminated) less the net amount received by Lender on any sale, lease or other disposition of the Equipment.

No one or more of the remedies referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedies referred to herein or otherwise available to Lender at law or in equity; and in particular pursuant to the Personal Property Security Act or other similar legislation of the jurisdiction under whose laws this Agreement may from time to time be interpreted. If upon disposition of the Collateral under this Agreement or any Security Documents or under the provisions of any remedies available to Lender there shall be a surplus, such surplus shall be the property of Lender if not prohibited by law.

- 22. LENDER'S RIGHTS:** If Borrower fails to perform or comply with any Obligations, Lender may, but has no obligation to, perform same in the name of Borrower or Lender and make all necessary disbursements in connection therewith, which shall be reimbursed by Borrower immediately on demand. Lender is hereby appointed Borrower's lawful attorney to take any such action in Borrower's name.
- 23. EXPENSES:** Borrower shall pay Lender on demand all reasonable costs incurred by Lender, directly or indirectly, including, without limitation, expenses of legal counsel, due diligence, appraisals, environmental audits and reports, consulting engineers' fees, security filings, transfer fees and taxes, survey costs and other third party costs, as well as time spent by Lender's personnel and reasonable expenses incurred by Lender's personnel, in conjunction with preparing the Loan documents or in respect of the transaction contemplated herein, regardless of whether or not the loan is completed and funded. Borrower agrees to pay all of Lender's reasonable costs incurred from time to time (including without limitation reasonable legal fees, accountant fees and additional monitoring fees) incurred following the occurrence and continuance of an event of default in the operation, recovery or enforcement of this Agreement or any other agreement entered into pursuant to this Agreement.
- 24. EXPENSE UNDER DEFAULT:** If Borrower repudiates the Loan or is in default hereunder Borrower shall be liable for any and all unpaid additional Loan Payments due or to become due hereunder, interest, and other costs and expenses incurred by reason of any event of repudiation or of default or the exercise of Lender's remedies in respect thereof.
- 25. WAIVER BY LENDER:** No delay or omission to exercise any right or remedy accruing to Lender upon any breach or default of Borrower will impair any such right

or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval on the part of Lender of any breach or default under this Agreement or of any provision or condition hereof, must be in writing and will effect only to the extent in such writing specifically set forth. All remedies, either under this Agreement or at law or in equity or otherwise afforded to Lender, are cumulative and not alternate.

26. **WAIVER BY BORROWER:** To the extent not prohibited by law or statute, Borrower hereby waives the benefit of all provisions of all applicable conditional sales, regulatory credit and other statutes and regulations made thereunder any and all Provinces and Territories of Canada, which would in any manner affect, restrict or limit the rights of Lender hereunder, including, without limiting the generality of the foregoing, all of Borrower's rights, benefits and protections given or afforded by the provisions of the *Limitations of Civil Rights Act* of Saskatchewan as amended and *The Distress Act* of Manitoba. Borrower also waives and assigns to Lender the right of any statutory exemption from execution or otherwise and further waives any right to demand security for costs in the event of litigation.
27. **BINDING UPON HEIRS, SUCCESSORS AND ASSIGNS:** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives, provided that nothing in this clause contained shall impair any of the provisions hereinbefore set forth prohibiting transfer of the Equipment by Borrower, or assignment of this Agreement by Borrower without the written consent of Lender.
28. **ASSIGNMENTS AND SUBLETTING:** Borrower shall not transfer, deliver up possession of, or lease the said Equipment, and this Agreement and any Loan shall not be assignable by Borrower without written permission of Lender, which permission may be arbitrarily withheld. Other than to a direct competitor of Borrower, Lender may at any time assign all or part of its interest in this Agreement or any Loan and nothing contained herein shall prevent Lender from assigning, pledging, mortgaging, transferring or otherwise disposing, either in whole or in part, of Lender's rights hereunder. Borrower hereby accepts such assignments and waives signification of the act of assignment and the delivery of a copy thereof. Borrower shall recognize any such assignment, transfer or pledge and shall not assert against any assignee any claims or rights of set off, defences or abatement which it may have against the original Lender respecting this Agreement or any Loan and waives all claims and equities against assignee's rights to enforce this Agreement or any Loan based on Lender's alleged failure to perform same.
29. **FURTHER ASSURANCES:** Borrower agrees to do all things and execute all documents as may reasonably be required by Lender in order to give effect to this Agreement including and to provide Lender with a security interest in the Equipment, proceeds of the Equipment and all other assets as required by the Security Documents.

30. **SEVERABILITY:** Any provision of this Agreement prohibited by or unlawful or unenforceable under any applicable law or jurisdiction shall, at the sole option of Lender, be ineffective as to such jurisdiction without invalidating the remaining provisions of this Agreement, provided, however, that to the extent that the provisions of any such applicable law can be waived, they are hereby waived by Borrower.
31. **INTERPRETATION:** It is hereby agreed by and between the parties hereto that whenever the context of this Agreement so requires, the singular number shall include the plural and vice versa, and that words importing the masculine gender shall include the feminine and neuter genders, and that in case more than one Borrower is named as Borrower, the liability of such Borrowers shall be joint and several, without benefit of division or discussion.
32. **APPLICABLE LAW:** This Agreement shall be interpreted and enforced in accordance with the laws of the Province of Alberta.
33. **TIME:** Time is of the essence of this Agreement.
34. **NAME CHANGE, ETC.:** Borrower shall promptly notify Lender in writing of:
- (a) any change in name of Borrower or Guarantor;
 - (b) any transfer, authorized or unauthorized, by Borrower of any interest in or benefit from the Equipment;
 - (c) any change, authorized or unauthorized, by Borrower in the location of any Equipment; and
 - (d) any change in the location of Borrower's head office specified in the Schedule.
35. **CHOICE OF LANGUAGE:** The parties hereby acknowledge that they have required this contract and all other agreements and notices required or permitted to be entered into or give pursuant hereto, to be drawn up in the English language. Les parties reconnaissent avoir demande que le present contrat ainsi que toute autre entente our avis requis ou permis a entre conclu ou donne en ventu des disositions due present contrat, soient rediges dans langue anglaise.
36. **HEADINGS:** The insertion of headings in this Agreement is for convenience of reference only and shall not affect the interpretation thereof.
37. **NOTICES:** Any notice, demand, consent or other communication required or permitted hereunder ("**Notice**") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier, email or other means which produces a permanent written record (a "**transmission**"). Mailed Notice shall be deemed to have been given two Business Days after mailing provided there is no general disruption or stoppage of postal services then in effect, in which case delivery shall be made by one

of the other methods permitted herein; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult, and transmissions shall be deemed to have been received at the opening of the next Business Day immediately following transmission. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

38. **ENTIRE AGREEMENTS:** This Agreement together with any and all Schedules constitutes the entire agreement between Borrower and Lender.
39. **COPY OF AGREEMENT:** Borrower acknowledges receipt of a copy of this Agreement and waives all right to receive from Lender copies of financing statements, financing change statements or verification statements filed with respect to this Agreement.
40. **PPSA WORDS AND EXPRESSIONS:** Words and expressions used herein that have been in the Personal Property Security Act of the jurisdiction under whose laws this Agreement may from time to time be interpreted shall have the same meaning herein.
41. **CREDIT INFORMATION:** Each of Borrower and Guarantor hereby authorize Lender and any of its representatives or partners to collect, use and disclose its personal information for the purposes of investigating and providing financial services. Borrower and Guarantor have been informed by Lender or its partners or representatives, that its personal information is collected, used and disclosed for the following purposes: (i) to collect credit and related financial information from me, from credit agencies, and from any parties listed herein, (ii) to use the information collected to determine financial situation of Borrower and Guarantor and confirm identity of Borrower and Guarantor, to provide financial services Borrower has requested and to offer additional products and services of Lender that may be of benefit to Borrower and Guarantor, (iii) to share the information with assignees, bankers or funding partners of Lender, (iv) to share the information collected and any information on Borrower's commercial dealings with Lender with credit agencies or other financial institutions. Further, Borrower and Guarantor each specifically acknowledges that Lender may assign this Agreement and any related agreements in whole or in part from time to time and agrees that any personal information collected in relation to this Agreement may be made available to any such proposed assignee.
42. **CONFIRMATION OF PAYABLE STATUS:** Borrower certifies to Lender that the information provided in this statement and on any accompanying reports is complete and accurate in all respects as at the date specified above. Furthermore, Borrower certifies that all sums owed privileged and preferred creditors, including government agencies have been paid and are current amounts owing in accordance with the permitted time frame for payment set by the particular creditor/agency. Borrower agrees to maintain such payables in a current status while indebted to Lender and to provide Lender with confirmations of the status of such outstanding payables from time to time upon request.

In addition to providing the information specified above, Borrower hereby authorizes Lender to make inquiries of government departments including Revenue Canada, the Provincial Treasurer, the Worker's Compensation Board, and applicable municipal government departments, and Borrower hereby directs such departments to provide Lender information respecting Borrower's status of payments due to such government departments and/or agencies.

43. CONFIDENTIALITY:

- (a) Borrower agrees not to disclose, and to cause Related Parties (as defined below) not to disclose any of the terms, conditions or other facts relating to this Agreement, including the status thereof (all such information whether written or oral, the other documents and such other materials relating to this Agreement as may hereafter be exchanged between the parties, being hereinafter referred to as the "**Loan Information**"), except that Loan Information may be disclosed to its direct and indirect shareholders, lenders, principals, lawyer, accountants, consultants, partners, employees or agents and their respective affiliates and legal counsel (collectively, the "**Related Parties**"). Related Parties will be informed of the confidential nature of the Loan Information and will be directed to keep the Loan Information in the strictest confidence and to use the Loan Information only for the purpose of causing the consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing the Borrower and Related Parties may disclose Loan Information (i) as required by law, order or rule (including the rules of any applicable supervisory or regulatory authority having jurisdiction over such Related Party) or regulation or a court of competent jurisdiction, (ii) in seeking to establish any defense in any legal or regulatory proceeding or investigation relating to the matters set out herein, or (iii) in connection with any actual or potential dispute or claim which relates to the matters set out herein.
- (b) Lender agrees that it shall not, and shall cause its affiliates, principals, lawyers, accountants, consultants, partners, employees or agents and their respective affiliates and legal counsel, not to disclose any Loan Information, or any financial, operational or other non-public information relating to the Borrower or any Guarantor to any competitor of the Borrower. Notwithstanding the foregoing the Lender and its affiliates, principals, lawyers, accountants, consultants, partners, employees or agents and their respective affiliates and legal counsel may disclose Loan Information (i) as required by law, order or rule (including the rules of any applicable supervisory or regulatory authority having jurisdiction over such Person) or regulation or a court of competent jurisdiction, (ii) in seeking to establish any defense in any legal or regulatory proceeding or investigation relating to the matters set out herein, or (iii) in connection with any actual or potential dispute or claim which relates to the matters set out herein.

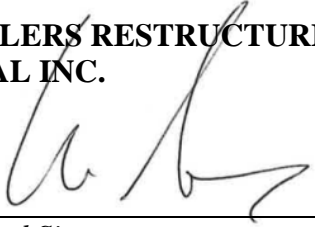
44. **COUNTERPARTS/ELECTRONIC DOCUMENTS OR SIGNATURES:** This Agreement and each Schedule may be executed in counterparts. The counterpart that has Lender's original signature and/or is in Lender's possession will constitute the single true original agreement for all purposes. Borrower may execute and/or transmit this Agreement manually, by facsimile or other electronic or digital means. If Borrower signs and transmits this Agreement by facsimile or other electronic transmission, that copy, upon execution by Lender (either manually or electronically), shall be binding on the parties. Borrower agrees to deliver to Lender upon request the counterpart to this Agreement containing Borrower's manual signature.
45. **JOINT & SEVERAL LIABILITY:** If more than one person executes this Agreement as Borrower, and, where the context so admits, each reference in this Agreement to "Borrower" shall include reference to any one or more or all of such persons and the acts or omissions of any such persons shall bind all of them. Each Borrower hereby: (i) expressly acknowledges and confirms its joint and several liability under this Agreement, and that each of them receives benefit and consideration from the financial accommodation provided herein by Lender (ii) irrevocably and unconditionally accepts, not merely as a surety but as a co-debtor, joint and several liability with the other Borrower(s) with respect to the payment and performance of all of the Obligations under this Agreement; (iii) acknowledges that any notice delivered to a Borrower at the address set out in this Agreement shall be deemed to have been received by each Borrower concurrently; (iv) until the final unconditional payment and performance in full of all of the Obligations under this Agreement: (a) no Borrower shall exercise by way of subrogation, reimbursement or otherwise any rights such Borrower may have against another Borrower or any Guarantor of such obligations arising as a result of amounts paid hereunder; (b) no Borrower shall threaten, make or advance any claim in competition with Lender in respect of any payment hereunder in any bankruptcy, insolvency or reorganization case or proceedings of any nature; and (c) no Borrower shall claim any setoff, recoupment or counterclaim against another Borrower or any Guarantor in respect of any liability of another Borrower or such Guarantor, and (v) Lender's rights hereunder may be enforced from time to time against any Borrower without requirement on the part of Lender first to marshal any of its claims or to exercise any of its rights against any other Borrower or to exhaust any remedies available to it against any other Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy.

[Signature Page Follows]

The parties hereby acknowledge and agree to the terms and conditions of this Agreement as of the date first written above.

LENDER:

**TRAVELERS RESTRUCTURING
CAPITAL INC.**



Authorized Signatory
Name: Warren Miller
Title: Vice President

BORROWER:

MANTLE MATERIALS GROUP, LTD.

Authorized Signatory
Name:
Title:

The parties hereby acknowledge and agree to the terms and conditions of this Agreement as of the date first written above.

LENDER:

**TRAVELERS RESTRUCTURING
CAPITAL INC.**

Authorized Signatory

Name: Warren Miller

Title: Vice President

BORROWER:

MANTLE MATERIALS GROUP, LTD.



Authorized Signatory

Name: Jeff Ryks

Title: Chief Financial Officer

SCHEDULE TO LOAN AND SECURITY AGREEMENT

SCHEDULE NO. 1

Loan and Security Agreement Schedule Number 1 to the Loan and Security Agreement dated October 8, 2021 (as amended or amended and restated from time to time, the “**Loan and Security Agreement**”) among Travelers Restructuring Capital Inc., as lender (the “**Lender**”), and MANTLE MATERIALS GROUP, LTD., as borrower (the “**Borrower**”).

In consideration of the covenants and agreements between Lender and Borrower contained in the Loan and Security Agreement and herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender provides to Borrower the loan described below, on the terms and conditions of this Schedule and the Loan and Security Agreement. Any capitalized term not defined herein will have the meaning given to it in the Loan and Security Agreement.

1. BORROWER

MAILING ADDRESS 9046 22 Ave SW		TEL.NO. 780-826-1774
CITY/PROV. Edmonton, AB		POSTAL CODE T6X 1Z6
CONTACT/TITLE Jeff Ryks	BANK NAME and ADDRESS: The Toronto-Dominion Bank, 10205 101 Street, 148 Edmonton City Centre East, Edmonton, Alberta, T5J 2Y8	FAX NO. 780-826-6280
HEAD OFFICE ADDRESS 9046 22 Ave SW, Edmonton, AB T6X 1Z6		

2. FINANCED AMOUNT

The principal amount of up to \$1,700,000.00 (the “**Financed Amount**”), to be made by way of a single advance to the Borrower upon satisfaction of the Conditions Precedent set out in the Loan and Security Agreement and any Conditions to Funding in this Schedule No. 1.

3. FINANCING RATE

The Financed Amount shall bear interest at the rate of 11.50% per annum, calculated in arrears and payable monthly (the “**Financing Rate**”).

4. PURPOSE

The Financed Amount shall be used for the purpose of the acquisition of the Equipment set out in Exhibit A pursuant to a purchase and sale agreement between the Borrower and Flasha Holdings Ltd., and the Financed Amount shall only be used to the Borrower to acquire the Equipment and to pay the Loan Fees,

Loan Documentation Fee, legal fees and expenses of legal counsel to the Lender and all other fees and costs associated with the acquisition of the Equipment.

The Lender shall advance the Financed Amount directly to Flasha Holdings Ltd. (or as directed by Flasha Holdings Ltd. or its trustee) in payment of the purchase price for the Equipment.

5. AVAILABILITY

Unless otherwise agreed upon and permitted by Lender, any Financed Amount not advanced by the date which is 1 months from the date of the Commencement Date will be automatically cancelled.

In addition to the conditions precedent set out in the Loan and Security Agreement, it shall be a condition precedent to this Loan that the Borrower provide a form of vesting order with respect to the Equipment to the Lender which will be issued to the Borrower upon completion of the acquisition of the Equipment and will evidence the Borrower as the legal and beneficial owner of the Equipment.

6. EQUIPMENT

See attached Exhibit A.

PLACE OF USE OF EQUIPMENT (OR, IF MOBILE GOODS, SPECIFY SUCH)

The province of Alberta – and any other area as approved in writing by the Lender in writing.

The Borrower agrees that the Equipment located at the location above will not be moved without prior written consent of Lender.

7. TERM

TERM (MONTHS)	COMMENCEMENT DATE	TERMINATION DATE
Approximately 36 months from the Commencement Date	October 8, 2021	October 15, 2024

8. LOAN PAYMENTS

Loan Payments will be made MONTHLY QUARTERLY OTHER

The Borrower shall pay thirty-six (36) monthly Loan Payments of blended principal and interest. The Loan Payments will be calculated based on a fifty-four (54) month amortization. For clarity, any outstanding balance of the Financed Amount will be due at the Termination Date.

Loan Payments shall become due and payable on the fifteenth day of the subsequent month following the Commencement Date shown above.

9. FEES

In addition to the Loan Payments, Borrower will pay to Lender:

- (a) a Loan Fee equal to 2.15% of the total Financed Amount; and
- (b) a Loan Documentation Fee equal to \$2,500.00.

10. PREPAYMENT

The Financed Amount may not be prepaid in whole or in part until such a date that is after twelve (12) Loan Payments have been received by the Lender. Thereafter, the Financed Amount may be prepaid in whole or in part prior to the Termination Date, provided however, that:

- (a) the Borrower shall provide to the Lender not less than ten (10) days prior written notice of such prepayment; and
- (b) at the time of such prepayment, the Borrower shall also pay to the Lender the amount that equals the lesser of (i) 6 months interest payable in respect of the prepayment, or (ii) the remaining interest payable in respect of the prepaid amount if prepayment had not occurred.

[Signature Page Follows]

In witness whereof the parties have executed this Schedule No. 1 on the respective dates set forth below and this Schedule shall be deemed to have been executed on the later of such dates.

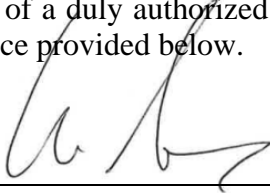
LENDER

BORROWER

**TRAVELERS RESTRUCTURING
CAPITAL INC.**

MANTLE MATERIALS GROUP, LTD.

This loan shall not become binding upon Lender until accepted in writing as evidenced by the signature of a duly authorized officer of Lender in the space provided below.



Authorized Signatory
Name: Warren Miller
Title: ViceP resident

Authorized Signatory
Name:
Title:

Authorized Signatory
Name:
Title:

DATE OF LENDER'S ACCEPTANCE

DATE OF ACCEPTANCE OF BORROWER

October 8, 2021

October 8, 2021

In witness whereof the parties have executed this Schedule No. 1 on the respective dates set forth below and this Schedule shall be deemed to have been executed on the later of such dates.

LENDER

BORROWER

**TRAVELERS RESTRUCTURING
CAPITAL INC.**

MANTLE MATERIALS GROUP, LTD.

This loan shall not become binding upon Lender until accepted in writing as evidenced by the signature of a duly authorized officer of Lender in the space provided below.



Authorized Signatory

Name:
Title:

Authorized Signatory

Name: Jeff Ryks
Title: Chief Financial Officer

Authorized Signatory

Name:
Title:

DATE OF LENDER'S ACCEPTANCE

DATE OF ACCEPTANCE OF BORROWER

October 8, 2021

October 8, 2021

**EXHIBIT "A"
EQUIPMENT**


<u>Item</u>	<u>Unit</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Description</u>	<u>Serial Number</u>
1	M6545 & M6546	2015	Elrus	2054	Jaw Screen Plant	M6545ERC15JS
2	M4768 & 4617	2008	Elrus	H4800CC	Cone Crusher	M4768ER08CC
3	M4544 & M4545	2008	Elrus	6X20 3D SP	Screen Plant	M4544ER08SP
4	M6443	2014	Elrus	42"	Belt Feeder	M6443ERC14F
5	M5379	2011	Elrus	30 YRD SB	Surge Bin	M5379ERC11SB
6	CM1	2006	Trio	36"	Coarse Washer	TCW3618-178
7			Eagle Iron Works		Sand Screw	9789
8	M4540	2008	Elrus	6X10 CT	Control Tower	M4540ER08CT
9		1995	Bonair	BA-19SS	Testing Travel Trailer	2BL2RSH29S2450233
10	M5650	2011	Superior	36X125 PC	Radial Stacking Conveyor	216044
11	Stacker 1	2008	Superior	36X60 PRSC	Portable Radial Stacking Conveyor	8608-08
12	Stacker 2	2008	Superior	36X60 PRSC	Portable Radial Stacking Conveyor	8607-08
13	Jump 1		Superior	36X60 PFTC	Portable Transfer Conveyor	8191
14	Jump 2	2007	Superior	36X60 PFTC	Portable Transfer Conveyor	7252-07
15	Jump 3	2007	Superior	36X60 PFTC	Portable Transfer Conveyor	8190-07
16	Stacker 3		Telsmith	20X40	Portable Transfer Conveyor	PK40T274
17			Rice Lake	EZ8010-ST-ATV	Portable Truck Scale	3FBP
18			Ancoma	PV5301030S	Portable Truck Scale	301109
19	AT3	2014	Komatsu	HM300-3	Articulated Dump Truck	KMTHM011H29003484
20	AT2	2008	Komatsu	HM300-2	Articulated Dump Truck	KMTHM005K54A11150
21		2013	Komatsu	PC490LC-10	Excavator	KMTPC239C54A40412
22		2012	Komatsu	PC290LC-10	Excavator	KMTPC241E54A25013
23	WL-01	2008	Komatsu	WA500-6	Wheel Loader	KMTWA096E57A92512
24	WL-04	2006	Komatsu	WA500-6	Wheel Loader	KMTWA096P01055036
25	WL-03	2012	Komatsu	WA380-7	Wheel Loader	KMTWA118A01010060

<u>Item</u>	<u>Unit</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Description</u>	<u>Serial Number</u>
26	WL-02	2007	Komatsu	WA380-6	Wheel Loader	KMTWA095K57A53125
27	D1	1986	Caterpillar	D6D	Crawler Dozer	04X10622
28		2015	Case	SR200	Skid Steer	JAFSR200KEM467993
29	Unit 1	2012	Western Star	4900FA	Tandem Dump Truck	5KKHAEDR1CPBL0002
30	Unit 3	2011	Western Star	4900SA	Tandem Tractor	5KKHALDR0BPAZ2488
31	BD01	2008	Castleton		Tridem Bottom Dump Trailer	2C9B3S4D38S133073
32	ED01	2012	Arne's		Tridem End Dump Trailer	2A9073735CA003146
33	P-2	2012	Arne's		Tridem End Dump Pup Trailer	2A9212932EA003965
34	LB01	1988	Columbia	SFM-40	Tridem Lowbed Trailer	2C9HFD2W4G1026006
35		1981	Fruehauf	FB9 F2W 14M 102	Tandem Van Trailer	2H8V04523BS004517
36		1985	GMC	Grumman	S/A Van Truck	1GDHP32T3F3510093
38		2015	Chevrolet	2500HD LTZ	4X4 Crewcab Pickup Truck	1GC1KWEG7FF613309
39		2013	Chevrolet	2500HD LTZ	4X4 Crewcab Pickup Truck	1GC1KYEG5DF106658
40	LT-03	2013	Doosan/IR	L8-60HZ-T4F	Light Tower	4FVLTBDA7DU449843
41	LT-02	2013	Doosan/IR	L8-60HZ-T4F	Light Tower	4FVLTBDA3DU447703
42	LT-05	2005	Allmand	ML20330	Light Tower	0021MXL05
43	LT-06		Allmand	ML20330	Light Tower	0020MXL05
44	LT-01	2003	Allmand	ML15330	Light Tower	0036MXL04
45	MP1	2008	Magnum	4"	S/A Diesel Trash Pump	5AJGS11168B000784
46	Pump 2	2008	Magnum	4"	S/A Diesel Trash Pump	5AJGS11198B000746

[Schedule No. 1 to Loan and Security Agreement]

A166518\47778940\1

THIS IS EXHIBIT "M" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

LOAN AND SECURITY

AGREEMENT DATED

OCTOBER 8, 2021

AMONG

TRAVELERS RESTRUCTURING CAPITAL INC., having an office at 400-4180 Lougheed Highway, Burnaby, BC V5C 6A7

-AND-

MANTLE MATERIALS GROUP, LTD., having an office at 9043 22 Ave SW, Edmonton, AB, T6X 1Z6

In consideration of the covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **INTERPRETATION:** For the purpose of this Agreement:
 - (a) **“Agreement”** means this Loan and Security Agreement, as may be amended, restated or replaced from time to time together with each Schedule, unless the context otherwise requires, and “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement;
 - (b) **“ATB Agreement”** means, collectively, the letter loan agreement dated December 19, 2017 between JMB Crushing Systems ULC (an amalgamation predecessor to the Borrower) and ATB Financial (by its former name, Alberta Treasury Branches), as amended by a first amending agreement dated June 21, 2017, as further amended by a second amending agreement dated June 7, 2018 and as supplemented by an agreement governing ATB assumed debt dated as of April 26, 2021;
 - (c) **“Borrower”** means Mantle Materials Group, Ltd., and their respective permitted assigns and successors;
 - (d) **“Business Day”** means a day when Lender’s office at the address of Lender stated herein is open for business, excluding Saturdays, Sundays and statutory holidays in the Provinces of Alberta and British Columbia;
 - (e) **“Collateral”** means the Equipment and any other property and assets which are charged by the Security Documents;

- (f) “**Commencement Date**” means the loan commencement date specified in a Schedule;
- (g) “**Conditions Precedent**” has the meaning given to it in Section 4 hereof;
- (h) “**Equipment**” means the equipment and other personal property set out in a Schedule together with all additions, parts, attachments and accessories now or hereafter attached to or forming a part thereof, any substitutions, repairs, replacements, related software, and all proceeds therefrom including trade-ins, chattel paper, documents of title, contract rights, rental payments, insurance payments and other property and obligations received as a result of the equipment being sold, dealt with or otherwise disposed of;
- (i) “**Equipment Collateral**” has the meaning given to such term in Section 12 hereof;
- (j) “**Financed Amount**” means the amount stated in a Schedule as owing by Borrower to Lender or the unpaid outstanding balance thereof, as the context requires;
- (k) “**Financing Rate**” means the rate per annum payable on a Financed Amount as stated in the applicable Schedule;
- (l) “**Guarantor**” means any person or individual who guarantees the indebtedness of Borrower to Lender arising under this Agreement;
- (m) “**Lender**” means Travelers Restructuring Capital Inc. and its assigns and successors;
- (n) “**Loan**” has the meaning given to such term in Section 2 hereof;
- (o) “**Loan Documentation Fee**” has the meaning given to it in Section 8 hereof;
- (p) “**Loan Fee**” has the meaning given to such term in Section 8 hereof;
- (q) “**Loan Payment**” means in respect of a Loan, a payment of principal, principal and interest, or interest-only, as specified in the applicable Schedule;
- (r) “**Material Adverse Effect**” means a material adverse effect:
 - i. on the financial condition, business, business prospects, operations, continuance of operations, results of operation, real property or other assets of Borrower or Guarantor;
 - ii. on the validity or enforceability of this Agreement or any of the Security Documents; and

- iii. on the ability of Borrower or Guarantor, taken as a whole, to perform their obligations under this Agreement or the Security Documents;
- (s) **“Obligations”** means all debts, all present and future liabilities and obligations of the Borrower to Lender under this Agreement (for further certainty including any related Schedule) and under any of the Security Documents, or any other agreement existing from time to time between the Borrower and Lender, including but not limited to the Financed Amount, interest thereon, other amounts payable under this Agreement, a Schedule, any of the Security Documents, any other amount which may be owing by the Borrower to the Lender under the subject or any other financing agreement, or the performance of any obligations of the Borrower under this Agreement;
 - (t) **“Overdue Payment”** means any amount owing by Borrower hereunder and any sum disbursed by Lender pursuant to Section 22 which is not paid when due hereunder, or any portion thereof.
 - (u) **“Permitted Encumbrances”** means:
 - i. liens for taxes, assessments or governmental charges not yet due or delinquent;
 - ii. liens arising in connection with workers’ compensation, unemployment insurance, pension, employment or other social benefits laws or regulations which are not yet due or delinquent;
 - iii. easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower;
 - iv. undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent;
 - v. liens arising by operation of law such as builders’ liens, carriers’ liens, materialmens’ liens and other liens of a similar nature incurred in the ordinary course of business which relate to obligations not due or delinquent;

- vi. liens incidental to the conduct of business or the ownership of property and assets not incurred in connection with the borrowing of money or obtaining credit and which do not, in the aggregate, detract in any material way from the value or usefulness of the property and assets of the Borrower;
- vii. banker's liens, rights of set-off or compensation with respect to deposit accounts or the funds maintained with a creditor depository institution;
- viii. liens in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, in the aggregate, will not materially impair the use of such land for the purposes for which such land is held;
- ix. liens given by the Borrower to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrower;
- x. the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- xi. liens securing purchase money obligations not exceeding an aggregate of \$100,000, provided that such security interests do not attach to the Equipment Collateral;
- xii. landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent, provided that such liens do not attach generally to the Equipment Collateral or all or substantially all of the undertaking, assets and property of the Borrower;
- xiii. deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money), (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Borrower is a party, or (iii) letters of credit or bonds securing the Borrower's reclamation and remediation obligations under surface material agreements and royalty agreements;
- xiv. security interests and charges granted in favour of ATB Financial pursuant to the ATB Agreement, provided that such security interests shall not extend to the Equipment Collateral;
- xv. security interests and charges granted in favour of the Senior Lender

pursuant to the Senior Loan Agreement, provided that such security interests shall not rank in priority to the Lender's interest in the Equipment Collateral;

xvi. security interests and charges against Borrower or Guarantor or their respective assets granted in favour of Lender; and

xvii. present and future security interests and charges against Borrower or Guarantor or their respective assets that are agreed to by Lender in writing and are subject of priority or subordination agreements on terms acceptable to Lender;

- (v) “**Schedule**” means each loan schedule executed by Borrower, Guarantor and Lender from time to time and which refers to and incorporates by reference this Agreement, as it may be amended, restated or replaced from time to time;
- (w) “**Security Documents**” has the meaning given to it in Section 13 hereof;
- (x) “**Senior Lender**” means, collectively, Fiera Private Debt Fund VI LP, by its general partner, Fiera Private Debt Fund GP Inc. and Fiera Private Debt Fund V LP, by its general partner, Fiera Private Debt Fund GP Inc.;
- (y) “**Senior Loan Agreement**” means the loan agreement dated as of April 26, 2021 between, *inter alios*, the Borrower and the Senior Lender;
- (z) “**Term**” means the term specified in a Schedule; and
- (aa) “**Termination Date**” means the loan termination date specified in a Schedule.

2. **LOAN AND LOAN PAYMENTS:** Borrower hereby acknowledges that it has borrowed from Lender and is thereby, or has otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated herein or such other place notified by Lender to Borrower, the Financed Amount, together with interest thereon, by paying the Loan Payments. Unless otherwise set out in Schedule, the first Loan Payment is payable on the first day of the calendar month following the Commencement Date and subsequent Loan Payments on the first day of each month thereafter throughout the Term. On the Termination Date, Borrower shall pay Lender the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder. Loan Payments and any other amounts due are payable to Lender shall be paid without counterclaim, defence, set off or abatement. Each Schedule shall constitute a separate loan from Lender to Borrower, in each case on the terms and conditions set out in this Agreement and such Schedule (each, a “**Loan**”). In the event of any conflict between any provision of this Loan and Security Agreement and any provision in any Schedule hereto, the provision of such Schedule shall prevail with respect to the Loan affected thereby.

3. **APPLICATION OF PAYMENTS:** All Loan Payments will be applied in the following

order:

- (a) any prepayment charge or fee (if applicable);
- (b) any outstanding protective disbursements required under this Agreement, including any insurance premium payments, as applicable;
- (c) payment arrears, in the following order: (i) commitment, transaction and amendment fees, (ii) Lender costs and expenses in accordance with structuring, executing, and facilitating this Agreement, (iii) interest, and (iv) principal;
- (d) current balances, in the following order (i) commitment, transaction and amendment fees, (ii) Lender costs and expenses in accordance with structuring, executing, and facilitating this Agreement, (iii) interest, and (iv) principal; and
- (e) other amounts due and payable under this Agreement and the Schedules hereto and any amendments thereof.

Lender may apply any monies received by it, before or after default, to any debt Borrower may owe Lender under or pursuant to this Agreement or any other agreement and Lender may change those applications from time to time in its sole discretion. Notwithstanding anything to the contrary herein, any partial or late payments shall be applied against any part of the indebtedness owing hereunder by Borrower to Lender as Lender may see fit in its sole and absolute discretion and Lender shall at all times and from time to time have the right to change any application of any late or partial payment received by it and to re-apply the same on any part or parts of such indebtedness as Lender may see fit in its sole and absolute discretion, notwithstanding any previous application.

4. **CONDITIONS PRECEDENT:** The obligation of Lender to enter into any Loan and advance the Financed Amount is subject to the fulfilment of the following conditions precedent (each to be satisfied or waived in the sole discretion of Lender) (collectively, the “**Conditions Precedent**”):

- (a) approval of the loan by the credit committee of Lender;
- (b) execution of this Agreement and the Security Documents by Borrower and Guarantor (if applicable), in a form satisfactory to Lender in its sole discretion;
- (c) registration of this Agreement and Security Documents, where applicable;
- (d) payment by Borrower to Lender of any Loan Documentation Fee or Loan Fee;

- (e) receipt by Lender, on an itemized basis, of complete descriptions of the Equipment, including make (manufacturer), model number(s), serial number(s) of all major components, together with photos and original purchase orders or invoices for the Equipment, proof of registration, if applicable, and proof of payment; **[satisfied]**
- (f) receipt by Lender of the constating documents of Borrower and Guarantor, as applicable;
- (g) satisfaction of Lender's AML/KYC requirements;
- (h) an appraisal completed by an appraisal firm satisfactory to Lender, confirming a satisfactory minimum value and condition of the Equipment; **[satisfied]**
- (i) receipt of waivers and priority and subordinations agreements as required by Lender to give rise and effect to the Security Documents and to the priority rankings contemplated herein;
- (j) satisfactory review by Lender of appraisals commissioned by Borrower in respect of any real property owned by the Borrower and, if required by the Lender, reliance letters in favour of Lender from the appraiser; **[satisfied/ waived]**
- (k) satisfactory review by Lender of any and all environmental reports in respect of any real property owned by Borrower and if required by the Lender reliance letters in favour of Lender from the applicable environmental firm; **[satisfied/ waived]**
- (l) satisfactory review by Lender of any and all existing and previously issued demand notices, forbearance agreements and court materials between each of Borrower and Guarantor and their existing creditors; **[satisfied/ waived]**
- (m) satisfactory review by Lender of any and all leases with respect to tenants in occupancy of any real property of Borrower, as applicable; **[satisfied/ waived]**
- (n) Lender shall have conducted and be satisfied with an inspection of the Equipment and site inspection of Borrower's premises; **[satisfied/ waived]**
- (o) the delivery to and satisfactory review by Lender of evidence that no amounts are owed to unpaid vendors who have a right of repossession, rights of set-off, or any amounts owing to creditors which may claim priority by statute or under a lien; **[satisfied/ waived]**
- (p) satisfactory review of any and all existing lending agreements entered into by Borrower that may impact performance of Borrower of this Agreement or bind Borrower to any payment, reporting, security, or covenant obligations; **[satisfied]**

- (q) corporate and financial information on Borrower and Guarantor, including but not limited to the following:
- i. an organizational chart for Borrower highlighting shareholder ownership and collateral ownership; **[satisfied/ waived]**
 - ii. a comprehensive asset and liability summary of the Borrower, inclusive of the required fixed and floating recurring payments of principal and interest on all existing credit, lease, and rental facilities; **[satisfied/ waived]**
 - iii. a 12-month future looking pro-forma income statement for Borrower on a consolidated basis, inclusive of a year-to-date statement from the most recent fiscal year-end, plus evidence of any and all material contracts for work-in-place; **[satisfied/ waived]**
 - iv. a 13-week or 12-month future looking pro-forma cash flow forecast for Borrower on a consolidated basis, inclusive of working capital requirements, capital expenditures and forecasted accounts receivable and collections, as applicable; **[satisfied/ waived]**
 - v. unaudited financial statements for Borrower since emerging from CCAA proceedings; **[satisfied/ waived]** and
 - vi. any other financial/ownership information at the request of the Lender (acting reasonably),
- (r) receipt and satisfactory review by Lender of amended certificates of insurance for the Collateral and Borrower, including general liability insurance policy;
- (s) receipt and satisfactory review by Lender that all property taxes and utilities are fully paid and up to date for any real property of Borrower;
- (t) receipt of certificates of officer, resolutions and legal opinions, as required, by Lender;
- (u) receipt of Canada Revenue Agency representative authorization form(s) authorizing Lender view only access of Borrower Canada Revenue Agency online portal;
- (v) the delivery to and satisfactory review by Lender of evidence that all federal and provincial corporate taxes, source deductions, and sales taxes for Borrower and Guarantor are up to date, including but not limited to corporate

income tax, real property tax, statutory liens, Crown claims including employee source deductions, HST, EHT, any amounts due under *Wage Earner Protection Plan Act* and Workplace Safety and Insurance Board premiums and any other amounts owing to the Crown that would rank in priority to the Loans or the Security Documents;

- (w) satisfactory completion by Lender of all business, environmental, legal and financial due diligence, including, but not limited to, evidence that Borrower has the required licenses in place to operate the business; and
 - (x) any other conditions precedent required by Lender as set out in the Schedule relating to such Loan.
5. **TENURE OF AGREEMENT:** This Agreement will come into effect on the date it is signed by Lender and Borrower and will continue in effect as long as any Obligations remain outstanding.
 6. **INTEREST:** Each Financed Amount shall bear interest at the Financing Rate set out in the applicable Schedule from the Commencement Date until the Financed Amount is unconditionally paid in full to Lender, and shall be payable in arrears on the date of each Loan Payment. Interest payable hereunder shall accrue and be calculated daily upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be. All interest payments to be made under this Agreement in respect of the outstanding balance of the Financed Amount or any Overdue Payment, as applicable, shall be paid both before and after maturity and before and after default and/or judgment, if any, until full and unconditional payment of the outstanding balance of the Financed Amount or such Overdue Payment is made. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate multiplied by (b) the actual number of days in the calendar year in which it is to be ascertained divided by 365. The principle of deemed reinvestment shall not apply to this Agreement or any payments made by Borrower hereunder.
 7. **INTEREST ON OVERDUE PAYMENTS:** Each Overdue Payment shall bear interest from the date due until unconditionally paid in full to Lender at the rate of 24% per annum, compounded monthly, and shall be payable on demand by Lender.
 8. **FEEES:** In addition to the Loan Payments, Borrower will pay to Lender:
 - (a) the documentation and onboarding fee set out in each Schedule (each, a “**Loan Documentation Fee**”);
 - (b) the loan fee set out in each Schedule (each, a “**Loan Fee**”);
 - (c) a non-refundable annual management fee in the amount of 35 basis points multiplied by the outstanding Obligations, payable on the first anniversary of

this Agreement and each year thereafter so long as any Obligations remain outstanding; and

- (d) for each default by Borrower of a reporting or monitoring covenant in this Agreement, including but not limited to the reporting obligations set out in Section 18, a default fee of \$1,250.00 per default (or the re-occurrence of a previously waived or remedied default), such fee to be payable within five (5) Business Days of the relevant default. Receipt by Lender of such fee shall not constitute a waiver of such default and shall not relieve or discharge the Borrower from remedying such default.

- 9. **PREPAYMENT:** Except as may be expressly permitted in the applicable Schedule, no prepayments of the Financed Amount are permitted without the prior written consent of Lender.
- 10. **PRE-AUTHORIZED PAYMENT:** Borrower agrees that it will authorize Lender to automatically draw Loan Payments and all other fees due under this Agreement from Borrower's appointed financial institution via Borrower's pre-authorized payment plan. Payment by other means must receive Lender's prior approval and may be subject to a service fee at Lender's sole discretion.
- 11. **PURPOSE:** The Financed Amount is to be used only for the purpose specified in the applicable Schedule.
- 12. **SECURITY INTEREST:** As general and continuing security for the payment and performance of the Obligations, Borrower hereby grants to Lender and Lender hereby takes a security interest in: (a) the Equipment, (b) all present and after-acquired intellectual property and other intangibles relating to the Equipment; (c) all present and after-acquired contracts, chattel paper, intangibles or instruments, written or oral, for the sale, exchange, lease, license, rental, sublease or other disposition of any kind whatsoever of the foregoing; (d) all insurance claims and proceeds resulting therefrom with respect to any loss or damage to any of the foregoing; and (e) all proceeds of the foregoing in the form of chattel paper, documents of title, goods, instruments, intangibles, money, fixtures or investment property, (collectively, the "**Equipment Collateral**"), and as further general and continuing security for the payment and performance of the Obligations Borrower hereby mortgages, transfers, pledges, charges and assigns the Equipment Collateral to Lender. The security constituted hereby is in addition to and not in substitution of the Security Documents or any other security which Lender may from time to time hold or take from Borrower or any other person.
- 13. **SECURITY DOCUMENTS:** Borrower shall deliver or cause to be delivered to Lender as security for the Obligations, the following documents (collectively, the "**Security Documents**") completed in a form and manner satisfactory to Lender's counsel and registered where applicable:

- (a) security agreement granted by the Borrower to Lender granting a first ranking purchase money security interest in respect of the Equipment Collateral;
- (b) assignment of insurance coverage against the Collateral with Lender named as first loss payee and additional insured, as applicable;
- (c) postponement and subordination of any and all shareholder and related party loans owed to or by Borrower and related entities; and
- (d) such other security and documentation which Lender and its counsel deem advisable.

In addition to the above-listed security, the Borrower shall provide, at their expense, all such releases, waivers, subordinations, inter-creditor agreements, registrations, authorizations, certificates, acknowledgements and legal opinions as Lender and its solicitor may reasonably require to give effect to the foregoing.

14. INSURANCE:

- (a) Borrower shall obtain, and maintain for the entire Term, at its own expense, property damage and liability insurance against loss or damage to the Equipment, including without limitation, loss by fire, (including extended coverage) theft, collision and such other risks of loss as customarily covered by insurance on the type of Equipment and by prudent operators of business similar to that in which Borrower is engaged, in such amounts, in such form and with such insurers which shall be satisfactory to Lender. The amount of insurance on the type of Equipment shall not be less than the greater of the full replacement value of the Equipment or the Loan Payments then remaining and unpaid hereunder. Each insurance policy will name Borrower and Lender as insureds, will name Lender as first loss payee thereof and will contain a clause requiring the insurer to give Lender at least 30 days' written notice of any alterations in the terms of such policy or of the cancellation thereof.
- (b) In addition, Borrower shall maintain all risks property insurance in connection with its assets, including any real property, and business and other types of insurance, including liability insurance with respect to claims for personal injury, death or property damage, with respect to the operation of its business, all with responsible and reputable insurance companies in such amounts and with such deductibles as are customary in the case of businesses of established reputation engaged in the same or similar businesses and in any event as are acceptable to Lender. Each insurance policy will name Borrower and Lender as insureds, will name Lender as first loss payee thereof and will contain a clause requiring the insurer to give Lender at least 30 days' written notice of any alterations in the terms of such policy or of the cancellation thereof.
- (c) At Lender's request, Borrower shall furnish to Lender certificates of insurance,

or other evidence satisfactory to Lender, that such insurance coverage is in effect, provided, however that Lender shall be under no duty to ascertain the existence of, or to examine such insurance policy, or to advise Borrower in the event such insurance shall not comply with the requirements hereof. Borrower further agrees to give Lender prompt notice of any damage or loss of the Equipment, other assets of Borrower, or any part thereof.

- (d) Borrower will, at its expense, make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lender that Lender desires to do so at Borrower's expense. With respect to the Equipment, proceeds of insurance will be disbursed by Lender against satisfactory invoices for repair or replacement of Equipment provided the Loan not then be in default. Performance by Borrower under this paragraph will not affect or release Borrower from the Obligations and liabilities herein elsewhere provided.

15. REPRESENTATIONS AND WARRANTIES OF BORROWER: Borrower represents and warrants in favour of Lender that:

- (a) Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of formation and has all requisite power and authority to own its assets and to carry on its business as such business is presently carried on.
- (b) Borrower has full power, capacity, authority and legal right to enter into this Agreement and the Security Documents to which it is party and to do all such acts and things are required to be done, observed and performed in accordance with the terms of this Agreement and the Security Documents to which it is party.
- (c) All corporate acts and proceedings on the part of Borrower necessary to authorize the execution, delivery and performance of this Agreement and the Security Documents to which it is party have been taken by Borrower and this Agreement and the Security Documents to which it is party have been or will be duly executed and delivered by Borrower.
- (d) Except to the extent disclosed to Lender in writing, Borrower is not in default under any agreement or instrument to which it is a party and which default would have a Material Adverse Effect.
- (e) All third party consents required by Borrower and Guarantor to enter into this Agreement and observe and perform their obligations hereunder have been obtained.
- (f) Other than as disclosed in writing to Lender, there are no actions, suits or

proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any of their undertakings and assets, at law, in equity or before any arbitrator or before any governmental department, body, commission, board, bureau, agency or instrumentality having jurisdiction in the premises in respect of which there is a reasonable possibility of a determination adverse to Borrower and which could, if determined adversely, materially and adversely affect the ability of Borrower to perform its obligations under this Agreement and the Security Documents to which it is a party, and Borrower is not in default with respect to any law, regulation, order, writ, judgment, injunction or award of any government, commission, board, agency, court, arbitrator or instrumentality which would have such an effect.

- (g) Borrower is the registered and beneficial owner of its assets, including the Equipment, and has good, valid and marketable title thereto, free and clear of all mortgages, charges, liens and other encumbrances except for Permitted Encumbrances and those mortgages, charges, liens and other encumbrances which are to be discharged and released using the proceeds of the Financed Amount.
- (h) To the best of Borrower's knowledge after due and diligent inquiry, no regulated, hazardous or toxic substances are being stored on any real property of Borrower or any adjacent property except in accordance with applicable law and industry standard, nor have any such substances been stored or used on any real property of Borrower or in Borrower's business or any adjacent property prior to Borrower's ownership, possession or control of any real property except in accordance with applicable law and industry standard.

16. AFFIRMATIVE COVENANTS: Borrower hereby covenants and agrees with Lender that unless otherwise consented to in writing by Lender:

- (a) Borrower shall duly and punctually pay the Loan Payments and all fees and other amounts required to be paid by Borrower hereunder in the manner specified in this Agreement.
- (b) Borrower shall maintain its corporate existence in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licenses and qualifications to carry on business in any jurisdiction in which it carries on business and it shall maintain all of its properties and assets consistent with industry standards.
- (c) Borrower shall do or cause to be done all acts necessary or desirable to comply with all material applicable federal, provincial, regulatory and municipal laws, requirements or standards, and to preserve and keep in full force and effect all material regulatory requirements, franchises, licenses, rights, privileges and permits necessary to enable Borrower to operate and conduct its business in accordance with standard industry practice and to advise Lender of any

anticipated changes, loss or sale of such material franchises, licenses, rights, privileges and permits.

- (d) Borrower shall give written notice to Lender within 2 Business Days of notice thereof of any dispute, contractual or financial in nature, litigation, proceeding or dispute affecting Borrower or Guarantor if either (a) the claim is greater than \$50,000, or (b) the result might, in Borrower's bona fide opinion, have a Material Adverse Effect on Borrower or Guarantor or on the operations of Borrower, or (c) the claim relates to or directly impacts the Equipment Collateral, and in each case from time to time furnish to Lender all reasonable information requested by Lender concerning the status of any such litigation, proceeding or dispute.
- (e) At any reasonable time during regular business hours upon reasonable prior notice (which for greater certainty is no longer than 5 Business Days), Borrower shall permit Lender or any representative thereof, at the expense and risk of Borrower, to examine and make copies of and abstracts from the records and books of account of Borrower, to visit and inspect the premises and properties of Borrower, and to discuss the affairs, finances and accounts of Borrower with any of the officers, senior employees or managers of Borrower.
- (f) Subject to Permitted Encumbrances, the Borrower shall keep the Collateral free of levies, mortgages, charges, liens and other encumbrances, and shall pay all license fees, registration fees, assessments, charges and taxes (Municipal, Provincial and Federal), which may be levied or assessed directly or indirectly against, or on account of the said Collateral or any interest therein or use thereof.
- (g) Borrower shall deliver to Lender, forthwith upon becoming aware of any default in the performance of any covenant, agreement or condition contained in this Agreement or the occurrence of an event of default, a certificate of an officer of Borrower, specifying such default or defaults or such event.
- (h) Borrower shall from time to time pay or cause to be paid all rents, taxes, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, levied, assessed or imposed upon Borrower or any of the assets of Borrower, as and when the same become due and payable, including all statutory liens, trust and other Crown claims including employee source deductions, income taxes, GST, PST, HST, EHT, WEPPA and WSIB premiums, except when and so long as the validity of any such rents, taxes, rates, levies, assessments, fees or dues is in good faith being contested by Borrower and such disputes have been previously disclosed in writing to Lender.
- (i) Borrower shall from time to time pay all rents and other amounts when the same become due and payable for any and all premises leased by Borrower.

- (j) Borrower shall disclose to Lender in writing any fact of which Borrower becomes aware which will result in a Material Adverse Effect, or so may reasonably foresee may result in a Material Adverse Effect.
- (k) Borrower must obtain Lender's prior written consent, before permitting shareholder(s) to sell or transfer their shares or before any change in effective voting control of Borrower by contractual or other means, provided that the Borrower shall not be required to seek consent for a share transfer with respect to any dispositions of shares of the Borrower related to management equity compensation in the ordinary course which do not cumulatively impact more than 10% of the shares in the capital of the Borrower and do not result in a change in effective voting control of the Borrower.
- (l) The Equipment is and shall at all times remain personal or movable property and shall not be affixed or attached to any lands, buildings, motor vehicles or other chattels without the prior written consent of Lender. In the event Lender grants its permission, Borrower shall install the said Equipment in a manner which will permit its removal without material injury to the Equipment or to the place of installation. Borrower shall be responsible for any damage done to any real estate, building or structure by the removal of the Equipment and shall indemnify and save harmless Lender therefrom. If the Equipment is to be delivered to leased premises Borrower shall advise Lender of the name and address of the landlord of such leased premises and upon Lender's request, obtain a postponement of the landlord's interest in the Equipment to the interest of Lender and a landlord access agreement on terms satisfactory to Lender. Notwithstanding the foregoing, the Equipment may be affixed or attached to other Equipment without the prior written consent of Lender.
- (m) The Equipment shall be located and used at the place designated in the Schedule and not elsewhere, without the prior written consent of Lender. Borrower shall cause the Equipment to be maintained and operated carefully in compliance with manufacturer's recommendations, and applicable laws and legislation, by competent and duly qualified personnel only, and for business purposes. Borrower shall comply with and conform to all Federal, Provincial, Municipal and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the Equipment. Lender shall have the right and Borrower shall allow Lender free access to inspect the Equipment Collateral on request.

17. NEGATIVE COVENANTS: Borrower hereby covenants and agrees with Lender that unless otherwise consented to in writing by Lender:

- (a) Borrower shall not amalgamate, merge, consolidate or otherwise enter into any other form of business combination with any other person.
- (b) Borrower shall not liquidate, dissolve or wind-up or take any steps or

proceedings in connection therewith.

- (c) Borrower shall not incur, assume, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to any indebtedness, except (i) indebtedness incurred pursuant to this Agreement; (ii) indebtedness for trade payable to suppliers in the ordinary course of business, (iii) indebtedness secured by or which could be secured by Permitted Encumbrances, and (iv) indebtedness hereafter approved by Lender in writing.
- (d) Borrower shall not create, issue, incur, assume or permit to exist any mortgage, charge, lien or other encumbrance on any of the assets which are the subject of the Security Documents, other than Permitted Encumbrances.
- (e) Borrower shall not grant, sell, exchange, transfer, assign, lease or otherwise dispose of the any interest in the Collateral.
- (f) Borrower shall not (i) pay distributions or dividends on any capital stock or partnership units or pay any amount to redeem, reduce, purchase or retire in any manner any capital stock, or partnership units, including without limitation, in connection with any put option agreement entered into by Borrower and its shareholders as of the date hereof or at any time hereafter, other than distributions or dividends which are made by payment of equity interests or are otherwise not paid or payable in cash; or (ii) repay any shareholder or related party loans or debentures issued by Borrower without the consent of the Lender (acting reasonably).
- (g) Borrower may not make loans to or investments in, or give guarantees or other financial assistance on behalf of others, other than guarantees or other financial assistance by the Borrower to or to the benefit of its direct or indirect shareholders which are unsecured.
- (h) Borrower shall not pay any management, consulting or similar fees or pay any other amounts whatsoever or any income to any affiliate or to any director or senior management employee of Borrower or any affiliate thereof ("**Fees**") other than payment of income or compensation in the amounts being paid as at the Commencement Date for reasonable services rendered to, and reimbursement of expenses reasonably incurred for Borrower or Guarantor in the ordinary course of business ("**Permitted Payments**"). Other than Permitted Payments to senior management employees, including for certainty expenses incidental to or incurred in the ordinary course of their employment, no Fees shall be paid if a default exists under this Agreement or any of the Security Documents or the making of such payment will result in a default.
- (i) Borrower shall not make any alterations to the Equipment, except for routine alterations required to improve, update or certify the Equipment which do not reduce the value of the Equipment.

- (j) The use of the Equipment shall not be changed to any use which would result in a change of capital cost allowance class.
- (k) Borrower shall not undertake any actions with respect to their business operations and/or capital structure which would, in the determination of Lender, have a Material Adverse Effect on Borrower.

18. REPORTING:

- (a) Borrower shall deliver to Lender:
 - i. unaudited internally prepared, monthly financial statements of the Borrower within thirty (30) days of the end of each month;
 - ii. a compliance report signed by an officer of the Borrower within thirty (30) days of the end of each month, the effect that full payment has been made of all source deductions (employee deductions, CPP, employment insurance and goods and services tax) required by the applicable government authority have been paid in full and there are no principal interest arrears, all property taxes have been paid and Borrower is in full and complete compliance with conditions of this Agreement;
 - iii. a report setting out the sales by the Borrower of Aggregate (as defined in the Senior Loan Agreement) in the last month and the proceeds of sale of Aggregate actually received in the last month by the Borrower within thirty (30) days of each month end, including confirmation that all royalties in respect of the Aggregate have been paid in full for such month;
 - iv. monthly, within 30 days after the end of each fiscal month of Borrower, or otherwise upon request of Lender, the financial statements of Borrower, including profit & loss statements and balance sheets and schedules of accounts receivable and accounts payable;
 - v. monthly, or such other interval at Lender's sole discretion, an updated asset listing with respect to the Equipment, which includes, but is not limited to, the location and/or storing site of the Equipment;
 - vi. a report on all equipment (as defined in the Alberta *Personal Property Security Act*) purchased and sold which has a purchase or sale price, as applicable, in excess of \$50,000, including costs incurred in such sales and application of proceeds of sale, within one hundred and twenty (120) days of the end of the fiscal year;

- vii. annually, within 120 days after the end of each fiscal year of Borrower, the audited or reviewed financial statements of Borrower, including profit & loss statements and balance sheets and schedules of accounts receivable and accounts payable and cash flow statements;
 - viii. a business plan and monthly operating budget for the coming fiscal year within thirty (30) days of the end of each fiscal year, including a financial forecast, including income statements, capital expenditures statements, capital expenditure, budget, balance sheet, cash flow and a detailed list of assumptions; and
 - ix. any further information, data, financial statements and reports, accounting or banking statements which Lender may from time to time require, acting reasonably.
- (b) In addition, Borrower agrees that Lender shall be entitled to and have the right to, but not the obligation, to request the following, each at the reasonable cost of Borrower:
- i. annually, or such other interval if Lender, acting reasonably, believes its security may be materially impaired, an updated appraisal or opinion of value in respect of the Collateral satisfactory to Lender, completed by an appraisal firm satisfactory to Lender.

19. INDEMNITY: Borrower hereby indemnifies Lender and agrees to save Lender harmless from and against all loss, cost (including taxable costs on a solicitor and client basis) and expenses (including actual legal fees and disbursements incurred by Lender) whatsoever arising in connection with this Agreement, the Equipment and the use thereof, including but not limited to its manufacture, selection, purchase order, possession, use, operation or return and recovery of claims under any insurance policy relating to the Equipment and enforcement of the rights of Lender hereunder. This indemnity will survive the termination of this Agreement.

20. DEFAULT: Each of the following is a “default”:

- (a) Borrower fails to make any Loan Payment or pay any other sum owing under this Agreement or any Security Document within 3 Business Days after the same is due and payable; or
- (b) Borrower or Guarantor shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder or under the Security Documents, including any reporting requirements, provided that for the affirmative covenants contained in Section **Error! Reference source not found.** Borrower and Guarantor shall have 5 Business Days to cure any such failure; or
- (c) any representation or warranty made by Borrower or the Guarantor herein or

in any document or certificate furnished to Lender in connection herewith or pursuant hereto, including pursuant to the Security Documents, shall prove to be incorrect at any time in any material respect; or

- (d) Borrower or Guarantor fails to pay its employees in the ordinary course of business when such payments are due, provided that Borrower and Guarantor shall have 5 Business Days to cure any such default; or
- (e) Borrower or Guarantor defaults under its material obligations to governmental agencies when such obligations are due, provided that Borrower and Guarantor shall have 5 Business Days to cure any such default; or
- (f) Borrower or Guarantor fails to remit taxes or source deductions or any other amounts due to the Canada Revenue Agency when due and payable, provided that Borrower and Guarantor shall have 10 Business Days to cure any such default; or
- (g) if any event of default as defined in any indenture, agreement or instrument evidencing, or under which, any indebtedness of Borrower or Guarantor is outstanding shall have happened and be continuing, and such default either involves the failure to make any payment, whether of principal, interest or otherwise, in an amount exceeding \$50,000 or which results in the acceleration of any debt exceeding \$50,000; or
- (h) if a decree or order of a court of competent jurisdiction is entered adjudging Borrower or Guarantor a bankrupt or insolvent or approving as properly filed a petition seeking the winding-up of Borrower or Guarantor (as applicable) under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against, or against any substantial part of the assets of Borrower or Guarantor or proceedings commenced for the dissolution, liquidation or winding-up of Borrower or Guarantor; or
- (i) if a final judgment or decree for the payment of money due shall have been obtained or entered against Borrower or Guarantor in an amount which, in the reasonable opinion of Lender, would materially and adversely affect the ability of Borrower or Guarantor to fulfill its obligations to Lender under this Agreement and such judgment or decree shall not have been and remain vacated, discharged or stayed pending appeal within the applicable appeal period; or
- (j) if any of the security, as outlined in the Security Documents, shall cease to be a valid and perfected first priority security interest in the assets charged thereby as against third parties, provided that Borrower and Guarantor shall have 5 Business Days to cure any such default; or

- (k) the occurrence of a Material Adverse Effect; or
- (l) if the Equipment or any other assets charged by the Security Documents or any material part thereof is seized under legal process, confiscated, sequestered or attached or if a distress is levied thereon; or
- (m) if Borrower or Guarantor is a corporation, and (i) the control or beneficial ownership thereof changes from that which existed at the date of execution of this Agreement; (ii) changes its name without obtaining the prior notice to Lender; (iii) any special resolution is passed on other proceedings taken regarding the wind-up of the corporation; or (iv) it ceases to carry on the business presently conducted by it; or
- (n) Borrower shall suffer the loss or suspension of any licenses, permits, or other operating authorities required for the present operation of its business or any part of it, and such loss or suspension would reasonably be expected to result in a Material Adverse Effect; or
- (o) Borrower or Guarantor defaults under any other agreement with Lender or any of its affiliates.

21. REMEDIES: Upon the happening of any default Lender may, to the extent permitted by law:

- (a) appoint an individual to monitor the day-to-day operations of Borrower, with approval rights on all cash disbursements and all material contracts of Borrower; or
- (b) declare the then outstanding Loan Payments, interest, costs and all moneys owing by Borrower and all Obligations to be immediately due and payable and such moneys and liabilities shall forthwith become due and payable without presentment, demand, protest or other notice of any kind to Borrower, all of which are hereby expressly waived; or
- (c) exercise any or all of its remedies under the Security Documents or any rights and remedies available at law or in equity; or
- (d) take possession of the Equipment Collateral for the purposes of administration and for that purpose enter any premises where the Equipment is located whether or not the Equipment is affixed to any such premises, and sell, lease or otherwise dispose of the Equipment Collateral, or both, by public or private means and upon such terms and consideration as Lender may in its sole discretion accept. Borrower hereby waives any damages or claim to damages arising from any retaking of possession under the terms of this Agreement or

any Security Documents; or

- (e) terminate the Loan and by written notice to Borrower require Borrower to forthwith pay to Lender on the date specified in such notice, as a genuine pre-estimate of liquidated damages for loss of a bargain and not as penalty the present worth of the aggregate of all unpaid amounts due hereunder as rent or otherwise to the expiration of the Term (as if the Loan had not been terminated) less the net amount received by Lender on any sale, lease or other disposition of the Equipment.

No one or more of the remedies referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedies referred to herein or otherwise available to Lender at law or in equity; and in particular pursuant to the Personal Property Security Act or other similar legislation of the jurisdiction under whose laws this Agreement may from time to time be interpreted. If upon disposition of the Collateral under this Agreement or any Security Documents or under the provisions of any remedies available to Lender there shall be a surplus, such surplus shall be the property of Lender if not prohibited by law.

- 22. LENDER'S RIGHTS:** If Borrower fails to perform or comply with any Obligations, Lender may, but has no obligation to, perform same in the name of Borrower or Lender and make all necessary disbursements in connection therewith, which shall be reimbursed by Borrower immediately on demand. Lender is hereby appointed Borrower's lawful attorney to take any such action in Borrower's name.
- 23. EXPENSES:** Borrower shall pay Lender on demand all reasonable costs incurred by Lender, directly or indirectly, including, without limitation, expenses of legal counsel, due diligence, appraisals, environmental audits and reports, consulting engineers' fees, security filings, transfer fees and taxes, survey costs and other third party costs, as well as time spent by Lender's personnel and reasonable expenses incurred by Lender's personnel, in conjunction with preparing the Loan documents or in respect of the transaction contemplated herein, regardless of whether or not the loan is completed and funded. Borrower agrees to pay all of Lender's reasonable costs incurred from time to time (including without limitation reasonable legal fees, accountant fees and additional monitoring fees) incurred following the occurrence and continuance of an event of default in the operation, recovery or enforcement of this Agreement or any other agreement entered into pursuant to this Agreement.
- 24. EXPENSE UNDER DEFAULT:** If Borrower repudiates the Loan or is in default hereunder Borrower shall be liable for any and all unpaid additional Loan Payments due or to become due hereunder, interest, and other costs and expenses incurred by reason of any event of repudiation or of default or the exercise of Lender's remedies in respect thereof.
- 25. WAIVER BY LENDER:** No delay or omission to exercise any right or remedy accruing to Lender upon any breach or default of Borrower will impair any such right

or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval on the part of Lender of any breach or default under this Agreement or of any provision or condition hereof, must be in writing and will effect only to the extent in such writing specifically set forth. All remedies, either under this Agreement or at law or in equity or otherwise afforded to Lender, are cumulative and not alternate.

26. **WAIVER BY BORROWER:** To the extent not prohibited by law or statute, Borrower hereby waives the benefit of all provisions of all applicable conditional sales, regulatory credit and other statutes and regulations made thereunder any and all Provinces and Territories of Canada, which would in any manner affect, restrict or limit the rights of Lender hereunder, including, without limiting the generality of the foregoing, all of Borrower's rights, benefits and protections given or afforded by the provisions of the *Limitations of Civil Rights Act* of Saskatchewan as amended and *The Distress Act* of Manitoba. Borrower also waives and assigns to Lender the right of any statutory exemption from execution or otherwise and further waives any right to demand security for costs in the event of litigation.
27. **BINDING UPON HEIRS, SUCCESSORS AND ASSIGNS:** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives, provided that nothing in this clause contained shall impair any of the provisions hereinbefore set forth prohibiting transfer of the Equipment by Borrower, or assignment of this Agreement by Borrower without the written consent of Lender.
28. **ASSIGNMENTS AND SUBLETTING:** Borrower shall not transfer, deliver up possession of, or lease the said Equipment, and this Agreement and any Loan shall not be assignable by Borrower without written permission of Lender, which permission may be arbitrarily withheld. Other than to a direct competitor of Borrower, Lender may at any time assign all or part of its interest in this Agreement or any Loan and nothing contained herein shall prevent Lender from assigning, pledging, mortgaging, transferring or otherwise disposing, either in whole or in part, of Lender's rights hereunder. Borrower hereby accepts such assignments and waives signification of the act of assignment and the delivery of a copy thereof. Borrower shall recognize any such assignment, transfer or pledge and shall not assert against any assignee any claims or rights of set off, defences or abatement which it may have against the original Lender respecting this Agreement or any Loan and waives all claims and equities against assignee's rights to enforce this Agreement or any Loan based on Lender's alleged failure to perform same.
29. **FURTHER ASSURANCES:** Borrower agrees to do all things and execute all documents as may reasonably be required by Lender in order to give effect to this Agreement including and to provide Lender with a security interest in the Equipment, proceeds of the Equipment and all other assets as required by the Security Documents.

30. **SEVERABILITY:** Any provision of this Agreement prohibited by or unlawful or unenforceable under any applicable law or jurisdiction shall, at the sole option of Lender, be ineffective as to such jurisdiction without invalidating the remaining provisions of this Agreement, provided, however, that to the extent that the provisions of any such applicable law can be waived, they are hereby waived by Borrower.
31. **INTERPRETATION:** It is hereby agreed by and between the parties hereto that whenever the context of this Agreement so requires, the singular number shall include the plural and vice versa, and that words importing the masculine gender shall include the feminine and neuter genders, and that in case more than one Borrower is named as Borrower, the liability of such Borrowers shall be joint and several, without benefit of division or discussion.
32. **APPLICABLE LAW:** This Agreement shall be interpreted and enforced in accordance with the laws of the Province of Alberta.
33. **TIME:** Time is of the essence of this Agreement.
34. **NAME CHANGE, ETC.:** Borrower shall promptly notify Lender in writing of:
- (a) any change in name of Borrower or Guarantor;
 - (b) any transfer, authorized or unauthorized, by Borrower of any interest in or benefit from the Equipment;
 - (c) any change, authorized or unauthorized, by Borrower in the location of any Equipment; and
 - (d) any change in the location of Borrower's head office specified in the Schedule.
35. **CHOICE OF LANGUAGE:** The parties hereby acknowledge that they have required this contract and all other agreements and notices required or permitted to be entered into or give pursuant hereto, to be drawn up in the English language. Les parties reconnaissent avoir demande que le present contrat ainsi que toute autre entente ou avis requis ou permis a entre conclu ou donne en vertu des dispositions du present contrat, soient rediges dans langue anglaise.
36. **HEADINGS:** The insertion of headings in this Agreement is for convenience of reference only and shall not affect the interpretation thereof.
37. **NOTICES:** Any notice, demand, consent or other communication required or permitted hereunder ("**Notice**") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier, email or other means which produces a permanent written record (a "**transmission**"). Mailed Notice shall be deemed to have been given two Business Days after mailing provided there is no general disruption or stoppage of postal services then in effect, in which case delivery shall be made by one

of the other methods permitted herein; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult, and transmissions shall be deemed to have been received at the opening of the next Business Day immediately following transmission. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

38. **ENTIRE AGREEMENTS:** This Agreement together with any and all Schedules constitutes the entire agreement between Borrower and Lender.
39. **COPY OF AGREEMENT:** Borrower acknowledges receipt of a copy of this Agreement and waives all right to receive from Lender copies of financing statements, financing change statements or verification statements filed with respect to this Agreement.
40. **PPSA WORDS AND EXPRESSIONS:** Words and expressions used herein that have been in the Personal Property Security Act of the jurisdiction under whose laws this Agreement may from time to time be interpreted shall have the same meaning herein.
41. **CREDIT INFORMATION:** Each of Borrower and Guarantor hereby authorize Lender and any of its representatives or partners to collect, use and disclose its personal information for the purposes of investigating and providing financial services. Borrower and Guarantor have been informed by Lender or its partners or representatives, that its personal information is collected, used and disclosed for the following purposes: (i) to collect credit and related financial information from me, from credit agencies, and from any parties listed herein, (ii) to use the information collected to determine financial situation of Borrower and Guarantor and confirm identity of Borrower and Guarantor, to provide financial services Borrower has requested and to offer additional products and services of Lender that may be of benefit to Borrower and Guarantor, (iii) to share the information with assignees, bankers or funding partners of Lender, (iv) to share the information collected and any information on Borrower's commercial dealings with Lender with credit agencies or other financial institutions. Further, Borrower and Guarantor each specifically acknowledges that Lender may assign this Agreement and any related agreements in whole or in part from time to time and agrees that any personal information collected in relation to this Agreement may be made available to any such proposed assignee.
42. **CONFIRMATION OF PAYABLE STATUS:** Borrower certifies to Lender that the information provided in this statement and on any accompanying reports is complete and accurate in all respects as at the date specified above. Furthermore, Borrower certifies that all sums owed privileged and preferred creditors, including government agencies have been paid and are current amounts owing in accordance with the permitted time frame for payment set by the particular creditor/agency. Borrower agrees to maintain such payables in a current status while indebted to Lender and to provide Lender with confirmations of the status of such outstanding payables from time to time upon request.

In addition to providing the information specified above, Borrower hereby authorizes Lender to make inquiries of government departments including Revenue Canada, the Provincial Treasurer, the Worker's Compensation Board, and applicable municipal government departments, and Borrower hereby directs such departments to provide Lender information respecting Borrower's status of payments due to such government departments and/or agencies.

43. CONFIDENTIALITY:

- (a) Borrower agrees not to disclose, and to cause Related Parties (as defined below) not to disclose any of the terms, conditions or other facts relating to this Agreement, including the status thereof (all such information whether written or oral, the other documents and such other materials relating to this Agreement as may hereafter be exchanged between the parties, being hereinafter referred to as the "**Loan Information**"), except that Loan Information may be disclosed to its direct and indirect shareholders, lenders, principals, lawyer, accountants, consultants, partners, employees or agents and their respective affiliates and legal counsel (collectively, the "**Related Parties**"). Related Parties will be informed of the confidential nature of the Loan Information and will be directed to keep the Loan Information in the strictest confidence and to use the Loan Information only for the purpose of causing the consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing the Borrower and Related Parties may disclose Loan Information (i) as required by law, order or rule (including the rules of any applicable supervisory or regulatory authority having jurisdiction over such Related Party) or regulation or a court of competent jurisdiction, (ii) in seeking to establish any defense in any legal or regulatory proceeding or investigation relating to the matters set out herein, or (iii) in connection with any actual or potential dispute or claim which relates to the matters set out herein.
- (b) Lender agrees that it shall not, and shall cause its affiliates, principals, lawyers, accountants, consultants, partners, employees or agents and their respective affiliates and legal counsel, not to disclose any Loan Information, or any financial, operational or other non-public information relating to the Borrower or any Guarantor to any competitor of the Borrower. Notwithstanding the foregoing the Lender and its affiliates, principals, lawyers, accountants, consultants, partners, employees or agents and their respective affiliates and legal counsel may disclose Loan Information (i) as required by law, order or rule (including the rules of any applicable supervisory or regulatory authority having jurisdiction over such Person) or regulation or a court of competent jurisdiction, (ii) in seeking to establish any defense in any legal or regulatory proceeding or investigation relating to the matters set out herein, or (iii) in connection with any actual or potential dispute or claim which relates to the matters set out herein.

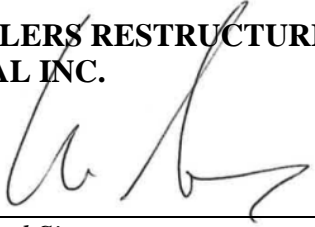
44. **COUNTERPARTS/ELECTRONIC DOCUMENTS OR SIGNATURES:** This Agreement and each Schedule may be executed in counterparts. The counterpart that has Lender's original signature and/or is in Lender's possession will constitute the single true original agreement for all purposes. Borrower may execute and/or transmit this Agreement manually, by facsimile or other electronic or digital means. If Borrower signs and transmits this Agreement by facsimile or other electronic transmission, that copy, upon execution by Lender (either manually or electronically), shall be binding on the parties. Borrower agrees to deliver to Lender upon request the counterpart to this Agreement containing Borrower's manual signature.
45. **JOINT & SEVERAL LIABILITY:** If more than one person executes this Agreement as Borrower, and, where the context so admits, each reference in this Agreement to "Borrower" shall include reference to any one or more or all of such persons and the acts or omissions of any such persons shall bind all of them. Each Borrower hereby: (i) expressly acknowledges and confirms its joint and several liability under this Agreement, and that each of them receives benefit and consideration from the financial accommodation provided herein by Lender (ii) irrevocably and unconditionally accepts, not merely as a surety but as a co-debtor, joint and several liability with the other Borrower(s) with respect to the payment and performance of all of the Obligations under this Agreement; (iii) acknowledges that any notice delivered to a Borrower at the address set out in this Agreement shall be deemed to have been received by each Borrower concurrently; (iv) until the final unconditional payment and performance in full of all of the Obligations under this Agreement: (a) no Borrower shall exercise by way of subrogation, reimbursement or otherwise any rights such Borrower may have against another Borrower or any Guarantor of such obligations arising as a result of amounts paid hereunder; (b) no Borrower shall threaten, make or advance any claim in competition with Lender in respect of any payment hereunder in any bankruptcy, insolvency or reorganization case or proceedings of any nature; and (c) no Borrower shall claim any setoff, recoupment or counterclaim against another Borrower or any Guarantor in respect of any liability of another Borrower or such Guarantor, and (v) Lender's rights hereunder may be enforced from time to time against any Borrower without requirement on the part of Lender first to marshal any of its claims or to exercise any of its rights against any other Borrower or to exhaust any remedies available to it against any other Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy.

[Signature Page Follows]

The parties hereby acknowledge and agree to the terms and conditions of this Agreement as of the date first written above.

LENDER:

**TRAVELERS RESTRUCTURING
CAPITAL INC.**



Authorized Signatory
Name: Warren Miller
Title: Vice President

BORROWER:

MANTLE MATERIALS GROUP, LTD.

Authorized Signatory
Name:
Title:

The parties hereby acknowledge and agree to the terms and conditions of this Agreement as of the date first written above.

LENDER:

**TRAVELERS RESTRUCTURING
CAPITAL INC.**

Authorized Signatory

Name: Warren Miller

Title: Vice President

BORROWER:

MANTLE MATERIALS GROUP, LTD.



Authorized Signatory

Name: Jeff Ryks

Title: Chief Financial Officer

SCHEDULE TO LOAN AND SECURITY AGREEMENT

SCHEDULE NO. 1

Loan and Security Agreement Schedule Number 1 to the Loan and Security Agreement dated October 8, 2021 (as amended or amended and restated from time to time, the “**Loan and Security Agreement**”) among Travelers Restructuring Capital Inc., as lender (the “**Lender**”), and MANTLE MATERIALS GROUP, LTD., as borrower (the “**Borrower**”).

In consideration of the covenants and agreements between Lender and Borrower contained in the Loan and Security Agreement and herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender provides to Borrower the loan described below, on the terms and conditions of this Schedule and the Loan and Security Agreement. Any capitalized term not defined herein will have the meaning given to it in the Loan and Security Agreement.

1. BORROWER

MAILING ADDRESS 9046 22 Ave SW		TEL.NO. 780-826-1774
CITY/PROV. Edmonton, AB		POSTAL CODE T6X 1Z6
CONTACT/TITLE Jeff Ryks	BANK NAME and ADDRESS: The Toronto-Dominion Bank, 10205 101 Street, 148 Edmonton City Centre East, Edmonton, Alberta, T5J 2Y8	FAX NO. 780-826-6280
HEAD OFFICE ADDRESS 9046 22 Ave SW, Edmonton, AB T6X 1Z6		

2. FINANCED AMOUNT

The principal amount of up to \$1,700,000.00 (the “**Financed Amount**”), to be made by way of a single advance to the Borrower upon satisfaction of the Conditions Precedent set out in the Loan and Security Agreement and any Conditions to Funding in this Schedule No. 1.

3. FINANCING RATE

The Financed Amount shall bear interest at the rate of 11.50% per annum, calculated in arrears and payable monthly (the “**Financing Rate**”).

4. PURPOSE

The Financed Amount shall be used for the purpose of the acquisition of the Equipment set out in Exhibit A pursuant to a purchase and sale agreement between the Borrower and Flasha Holdings Ltd., and the Financed Amount shall only be used to the Borrower to acquire the Equipment and to pay the Loan Fees,

Loan Documentation Fee, legal fees and expenses of legal counsel to the Lender and all other fees and costs associated with the acquisition of the Equipment.

The Lender shall advance the Financed Amount directly to Flasha Holdings Ltd. (or as directed by Flasha Holdings Ltd. or its trustee) in payment of the purchase price for the Equipment.

5. AVAILABILITY

Unless otherwise agreed upon and permitted by Lender, any Financed Amount not advanced by the date which is 1 months from the date of the Commencement Date will be automatically cancelled.

In addition to the conditions precedent set out in the Loan and Security Agreement, it shall be a condition precedent to this Loan that the Borrower provide a form of vesting order with respect to the Equipment to the Lender which will be issued to the Borrower upon completion of the acquisition of the Equipment and will evidence the Borrower as the legal and beneficial owner of the Equipment.

6. EQUIPMENT

See attached Exhibit A.

PLACE OF USE OF EQUIPMENT (OR, IF MOBILE GOODS, SPECIFY SUCH)

The province of Alberta – and any other area as approved in writing by the Lender in writing.

The Borrower agrees that the Equipment located at the location above will not be moved without prior written consent of Lender.

7. TERM

TERM (MONTHS)	COMMENCEMENT DATE	TERMINATION DATE
Approximately 36 months from the Commencement Date	October 8, 2021	October 15, 2024

8. LOAN PAYMENTS

Loan Payments will be made MONTHLY QUARTERLY OTHER

The Borrower shall pay thirty-six (36) monthly Loan Payments of blended principal and interest. The Loan Payments will be calculated based on a fifty-four (54) month amortization. For clarity, any outstanding balance of the Financed Amount will be due at the Termination Date.

Loan Payments shall become due and payable on the fifteenth day of the subsequent month following the Commencement Date shown above.

9. FEES

In addition to the Loan Payments, Borrower will pay to Lender:

- (a) a Loan Fee equal to 2.15% of the total Financed Amount; and
- (b) a Loan Documentation Fee equal to \$2,500.00.

10. PREPAYMENT

The Financed Amount may not be prepaid in whole or in part until such a date that is after twelve (12) Loan Payments have been received by the Lender. Thereafter, the Financed Amount may be prepaid in whole or in part prior to the Termination Date, provided however, that:

- (a) the Borrower shall provide to the Lender not less than ten (10) days prior written notice of such prepayment; and
- (b) at the time of such prepayment, the Borrower shall also pay to the Lender the amount that equals the lesser of (i) 6 months interest payable in respect of the prepayment, or (ii) the remaining interest payable in respect of the prepaid amount if prepayment had not occurred.

[Signature Page Follows]

In witness whereof the parties have executed this Schedule No. 1 on the respective dates set forth below and this Schedule shall be deemed to have been executed on the later of such dates.

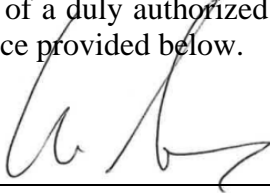
LENDER

BORROWER

**TRAVELERS RESTRUCTURING
CAPITAL INC.**

MANTLE MATERIALS GROUP, LTD.

This loan shall not become binding upon Lender until accepted in writing as evidenced by the signature of a duly authorized officer of Lender in the space provided below.



Authorized Signatory
Name: Warren Miller
Title: ViceP resident

Authorized Signatory
Name:
Title:

Authorized Signatory
Name:
Title:

DATE OF LENDER'S ACCEPTANCE

DATE OF ACCEPTANCE OF BORROWER

October 8, 2021

October 8, 2021

In witness whereof the parties have executed this Schedule No. 1 on the respective dates set forth below and this Schedule shall be deemed to have been executed on the later of such dates.

LENDER

BORROWER

**TRAVELERS RESTRUCTURING
CAPITAL INC.**

MANTLE MATERIALS GROUP, LTD.

This loan shall not become binding upon Lender until accepted in writing as evidenced by the signature of a duly authorized officer of Lender in the space provided below.



Authorized Signatory

Name:
Title:

Authorized Signatory

Name: Jeff Ryks
Title: Chief Financial Officer

Authorized Signatory

Name:
Title:

DATE OF LENDER'S ACCEPTANCE

DATE OF ACCEPTANCE OF BORROWER

October 8, 2021

October 8, 2021

**EXHIBIT "A"
EQUIPMENT**

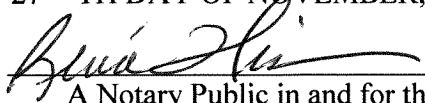
<u>Item</u>	<u>Unit</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Description</u>	<u>Serial Number</u>
1	M6545 & M6546	2015	Elrus	2054	Jaw Screen Plant	M6545ERC15JS
2	M4768 & 4617	2008	Elrus	H4800CC	Cone Crusher	M4768ER08CC
3	M4544 & M4545	2008	Elrus	6X20 3D SP	Screen Plant	M4544ER08SP
4	M6443	2014	Elrus	42"	Belt Feeder	M6443ERC14F
5	M5379	2011	Elrus	30 YRD SB	Surge Bin	M5379ERC11SB
6	CM1	2006	Trio	36"	Coarse Washer	TCW3618-178
7			Eagle Iron Works		Sand Screw	9789
8	M4540	2008	Elrus	6X10 CT	Control Tower	M4540ER08CT
9		1995	Bonair	BA-19SS	Testing Travel Trailer	2BL2RSH29S2450233
10	M5650	2011	Superior	36X125 PC	Radial Stacking Conveyor	216044
11	Stacker 1	2008	Superior	36X60 PRSC	Portable Radial Stacking Conveyor	8608-08
12	Stacker 2	2008	Superior	36X60 PRSC	Portable Radial Stacking Conveyor	8607-08
13	Jump 1		Superior	36X60 PFTC	Portable Transfer Conveyor	8191
14	Jump 2	2007	Superior	36X60 PFTC	Portable Transfer Conveyor	7252-07
15	Jump 3	2007	Superior	36X60 PFTC	Portable Transfer Conveyor	8190-07
16	Stacker 3		Telsmith	20X40	Portable Transfer Conveyor	PK40T274
17			Rice Lake	EZ8010-ST-ATV	Portable Truck Scale	3FBP
18			Ancoma	PV5301030S	Portable Truck Scale	301109
19	AT3	2014	Komatsu	HM300-3	Articulated Dump Truck	KMTHM011H29003484
20	AT2	2008	Komatsu	HM300-2	Articulated Dump Truck	KMTHM005K54A11150
21		2013	Komatsu	PC490LC-10	Excavator	KMTPC239C54A40412
22		2012	Komatsu	PC290LC-10	Excavator	KMTPC241E54A25013
23	WL-01	2008	Komatsu	WA500-6	Wheel Loader	KMTWA096E57A92512
24	WL-04	2006	Komatsu	WA500-6	Wheel Loader	KMTWA096P01055036
25	WL-03	2012	Komatsu	WA380-7	Wheel Loader	KMTWA118A01010060

<u>Item</u>	<u>Unit</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Description</u>	<u>Serial Number</u>
26	WL-02	2007	Komatsu	WA380-6	Wheel Loader	KMTWA095K57A53125
27	D1	1986	Caterpillar	D6D	Crawler Dozer	04X10622
28		2015	Case	SR200	Skid Steer	JAFSR200KEM467993
29	Unit 1	2012	Western Star	4900FA	Tandem Dump Truck	5KKHAEDR1CPBL0002
30	Unit 3	2011	Western Star	4900SA	Tandem Tractor	5KKHALDR0BPAZ2488
31	BD01	2008	Castleton		Tridem Bottom Dump Trailer	2C9B3S4D38S133073
32	ED01	2012	Arne's		Tridem End Dump Trailer	2A9073735CA003146
33	P-2	2012	Arne's		Tridem End Dump Pup Trailer	2A9212932EA003965
34	LB01	1988	Columbia	SFM-40	Tridem Lowbed Trailer	2C9HFD2W4G1026006
35		1981	Fruehauf	FB9 F2W 14M 102	Tandem Van Trailer	2H8V04523BS004517
36		1985	GMC	Grumman	S/A Van Truck	1GDHP32T3F3510093
38		2015	Chevrolet	2500HD LTZ	4X4 Crewcab Pickup Truck	1GC1KWEG7FF613309
39		2013	Chevrolet	2500HD LTZ	4X4 Crewcab Pickup Truck	1GC1KYEG5DF106658
40	LT-03	2013	Doosan/IR	L8-60HZ-T4F	Light Tower	4FVLTBDA7DU449843
41	LT-02	2013	Doosan/IR	L8-60HZ-T4F	Light Tower	4FVLTBDA3DU447703
42	LT-05	2005	Allmand	ML20330	Light Tower	0021MXL05
43	LT-06		Allmand	ML20330	Light Tower	0020MXL05
44	LT-01	2003	Allmand	ML15330	Light Tower	0036MXL04
45	MP1	2008	Magnum	4"	S/A Diesel Trash Pump	5AJGS11168B000784
46	Pump 2	2008	Magnum	4"	S/A Diesel Trash Pump	5AJGS11198B000746

[Schedule No. 1 to Loan and Security Agreement]

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THIS IS EXHIBIT "N" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

SECURED CONVERTIBLE DEBENTURE

MANTLE MATERIALS GROUP, LTD.

(incorporated under the laws of the Province of Alberta)
9046 22nd Avenue SW
Edmonton, AB T6X 1Z6

FOR VALUE RECEIVED, Mantle Materials Group, Ltd. (the "**Corporation**") hereby promises to pay to **RLF Canada Lender Limited** (the "**Debenture Holder**") a principal sum equal to the aggregate outstanding advances by the Debenture Holder to the Corporation made on or after October 19, 2022 (the "**Issue Date**"), together with any other Obligations (as defined in section 1.1 of **Schedule "A"**) arising from and after the Issue Date under this secured convertible debenture (this "**Debenture**") on the terms and subject to the provisions set out on **Schedule "A"**.

IN WITNESS WHEREOF, the Corporation has caused this Debenture to be executed by a duly authorized officer.

DATED for reference this 19 day of October, 2022 (the "**Issue Date**").

MANTLE MATERIALS GROUP, LTD.

Per: _____

Name: John Jeffrey Bykes
Title: CFO

(See terms and conditions attached hereto as Schedule "A")

SCHEDULE "A"

TERMS AND CONDITIONS OF SECURED CONVERTIBLE DEBENTURE

Terms and Conditions attached to the Convertible Debenture issued by Mantle Materials Group, Ltd. to RLF Canada Lender Limited as of the Issue Date of October 19, 2022.

1. INTERPRETATION

1.1 Definitions

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings, namely:

- (a) **"Business Day"** means a calendar day excluding Saturday, Sunday and statutory holidays in the Province of Alberta;
- (b) **"Collateral"** shall have the meaning ascribed to it in Section 3.1;
- (c) **"Contractual Rights"** shall have the meaning ascribed to it in Section 3.5;
- (d) **"Conversion Amount"** means the Principal Sum and Interest Amount elected by the Debenture Holder at the Maturity Date in a Notice of Conversion to be converted to Conversion Shares at the Conversion Price;
- (e) **"Conversion Price"** means a conversion price equal to the Market Price of the Conversion Shares;
- (f) **"Conversion Shares"** means common shares of the Corporation;
- (g) **"Corporation"** means Mantle Materials Group, Ltd., a corporation incorporated under the laws of the Province of Alberta;
- (h) **"Debenture Holder"** means RLF Canada Lender Limited or any Person or Persons approved by the Corporation, to be a holder of this Debenture in accordance with the terms hereof;
- (i) **"Default Interest Rate"** means the Interest Rate plus two percent (2%) per annum, compounded daily on the Obligations that remain unpaid or unconverted after the occurrence and during the continuance of an Event of Default;
- (j) **"Equity Notice"** means a notice substantially in the form of Appendix "A" attached hereto;
- (k) **"Equity Offering"** means a distribution of any class of the Corporation's equity securities to investors, whether such investors are security holders of the Corporation prior to the distribution or not but excluding any equity securities issued on a conversion of any outstanding securities of the Corporation;

- (l) **“Event of Default”** means any event specified in Article 5, which has not been waived, cured or remedied;
- (m) **“Fiera Lenders”** means Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc. and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc. (“Fiera V”), with Fiera V acting as collateral agent for and on behalf of and for the benefit of the Fiera Lenders;
- (n) **“Interest Amount”** means any interest accrued hereunder but neither paid nor converted into Conversion Shares;
- (o) **“Interest Rate”** means an interest rate equal to nine percent (9%) per annum in the period commencing from and after October 1, 2022 to and including June 30, 2023, and thereafter to and including the Maturity Date at seven percent (7%) per annum;
- (p) **“Insolvency Law”** means applicable federal, provincial or state law relating to bankruptcy, insolvency, reorganization or relief of debtors;
- (q) **“Market Price”** at any date means the fair value of the Common Shares as determined by the Debenture Holder;
- (r) **“Material Adverse Effect”** means a material adverse effect on, or a material adverse change to the financial condition of the Corporation, the Corporation’s ability to perform its material obligations under this Debenture or the property, business, operations, liabilities or prospects of the Corporation and its subsidiaries taken as a whole;
- (s) **“Maturity Date”** means the earlier of April 26, 2029 or the date on which the Debenture Holder declares an Acceleration;
- (t) **“Obligations”** means all indebtedness, liabilities and obligations of the Corporation to the Debenture Holder under this Debenture, whether present or future, including the Principal Sum, any Interest Amount and any other amounts outstanding hereunder, and whether direct or indirect, absolute or contingent, matured or not;
- (u) **“Person”** means an individual, partnership, corporation other business or legal entity or any duly constituted government of or in Canada and any minister, department, commission, board, bureau, agency, authority, instrumentality or court and the like of any such government;
- (v) **“Principal Sum”** means the amounts advanced from time to time by the Debenture Holder to the Corporation, including an initial advance of CDN\$94,000.00, together with any unpaid Interest Amount or other Obligations added thereto and forming part thereof pursuant to Sections 2.1(c) and 2.2;
- (w) **“Receiver”** shall have the meaning ascribed to it in Section 4.2(b);
- (x) **“Security Interest”** means any mortgage, charge, security interest, lien or other encumbrance;

- (y) **“Shareholders”** means all of the shareholders of the Corporation for the time being and **“Shareholder”** means any one of them; and
- (z) **“this Debenture”**, **“hereto”**, **“hereby”**, **“hereunder”**, **“hereof”** and similar expressions refer to the convertible debenture represented hereby and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto and every debenture issued in replacement hereof.

1.2 Gender and Number

Any reference in this Debenture to gender includes all genders and words importing the singular number only shall include the plural and *vice versa*.

1.3 Headings, etc.

The division of this Debenture into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

1.4 Further Assurances

From time to time after the date hereof, each Party shall, at the request of any other Party, execute and deliver such additional documents and assurances and do all such other acts or things as may be reasonably required to effect and evidence and carry out the purposes and intent of this Agreement.

1.5 Incorporation of Appendix and Schedules

The schedules and appendix attached to this Debenture form an integral part of it for all purposes of this Debenture.

2. PAYMENT TERMS

2.1 Principal and Interest

- (a) The principal amount of this Debenture from time to time shall be the initial Principal Sum of CDN \$94,000.00 (the **“Initial Principal Advance”**) together with additional amounts advanced by the Debenture Holder to the Corporation under this Debenture from time to time, together with any Interest Amount and other Obligations added to the Principal Sum under Sections 2.1(c) and 2.2.
- (b) Subject to Section 2.1(c), the outstanding Principal Sum, any Interest Amount and any other Obligations shall be due and fully payable to the Debenture Holder on the Maturity Date. Any Interest Amount accruing or other Obligations incurred subsequent to the Maturity Date shall be immediately due and payable to the Debenture Holder as and when any such amount accrues or is incurred without any notice or demand by the Debenture Holder.
- (c) The Principal Sum shall bear interest at the Interest Rate, calculated and compounded monthly, not in advance, on the fifteenth (15th) day of each month, on the Principal Sum. The Corporation shall pay to the Debenture Holder the

Principal Sum and Interest Amounts in blended monthly instalments in accordance with the amortization and payment schedule set out on **Schedule "B"**, with each instalment being applied firstly in payment of the Interest Amount and secondly on account of the outstanding Principal Sum, with the balance of the Principal Sum and any other unpaid Obligations becoming immediately due and payable on the Maturity Date, provided that in the period between October 18, 2022 and June 15, 2023, the Interest Amount of each installment becoming payable in such period shall be added to and form part of the Principal Sum, and thereafter shall be payable in cash. Any Interest Amount which is not paid when due shall be added to and compounded with the Principal Sum in computing the Interest Amount.

- (d) Upon the occurrence and during the continuance of any Event of Default, interest shall accrue on the Obligations at the Default Interest Rate, calculated and compounded monthly (both before and after any Event of Default, the Maturity Date or judgment), and such accrued interest shall be immediately due and payable to the Debenture Holder, and in the event that such interest is not immediately paid by the Corporation to the Debenture Holder, the accrued and unpaid amount thereof shall be added to the Principal Sum in accordance with Section 2.1(c).
- (e) The Corporation may at any time on two (2) days' notice to the Debenture Holder repay all or any portion of the Obligations without notice or bonus.
- (f) In the event that:
 - (i) the Debenture Holder makes additional advances to the Corporation after making the Initial Principal Advance;
 - (ii) an Interest Amount is added to the Principal Sum in accordance with Section 2.1(c) or 2.1(d);
 - (iii) Obligations incurred under Section 2.2 are added to the Principal Sum;
 - (iv) the Corporation repays a portion of the Obligations under Section 2.1(e);
or
 - (v) the Corporation redeems a portion of the Obligations under Section 2.5,

the Debenture Holder shall amend and restate the amortization and payment schedule attached as Schedule "B" and upon delivery to the Corporation of such amended and restated amortization and payment schedule, the amended and restated Schedule "B" shall be deemed to be attached to and to replace the then current Schedule "B".

- (g) Interest on the indebtedness evidenced by this Debenture shall be computed on the basis of a three hundred sixty five (365) day year and shall accrue on the actual number of days elapsed for any whole or partial month in which interest is being computed. In computing the number of days during which interest accrues, the days on which funds are initially advanced shall be included regardless of the time of day such advance is made, and the day on which funds are repaid shall be included unless repayment is credited prior to the close of business on the

Business Day received as provided in Section 2.3. Where a rate of interest hereunder is calculated on the basis of a year (a “**calculation year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in a calendar year of calculation and dividing it by the number of days in the calculation year.

2.2 **Costs and Expenses**

All costs and expenses (including the fees and disbursements of accountants, financial advisors, lawyers and other professional advisers) incurred by the Debenture Holder in connection with this Debenture and the exercise by the Debenture Holder of any rights or remedies hereunder shall be paid by the Corporation immediately upon demand by the Debenture Holder and shall, if not paid immediately upon such demand, shall be added to and form part of the Principal Sum.

2.3 **Application**

Except as expressly provided herein to the contrary, all payments under this Debenture shall be applied in the following order of priority: (a) first, the payment or reimbursement of any expenses, costs or obligations (other than the outstanding Principal Sum and Interest Amount) payable by the Corporation pursuant to this Debenture, (ii) second, the payment of Interest Amount, and (iii) third, the payment of all or any portion of the outstanding Principal Sum. If an Event of Default exists under this Debenture, then the Debenture Holder may, at the sole option of the Debenture Holder, apply any such payments, at any time and from time to time, to any of the items specified in clauses (i), (ii) or (iii) of in this Section 2.3 without regard to the order of priority otherwise specified in this Section 2.3.

2.4 **Payments**

All payments under this Debenture shall be in immediately available funds denominated in Canadian currency and shall be by cheque or bank draft delivered to the Debenture Holder's address under Section 7.11, or by wire transfer in accordance with wire transfer instructions provided by the Debenture Holder to the Corporation in writing. Payments in immediately available funds received by the Debenture Holder at the place designated for payment on a Business Day at or prior to 2:00 p.m. (Mountain Time) shall be credited prior to the close of business on the Business Day received, while payments received by Debenture Holder on a day other than a Business Day or after 2:00 p.m. (Mountain Time) on a Business Day shall not be credited until the next succeeding Business Day. If any payment of Principal Sum or Interest Amount shall become due and payable on a day other than a Business Day, such payment shall be made on the succeeding Business Day. Any extension of time for payment shall be included in computing interest which has accrued and shall be payable in connection with such payment.

2.5 **Redemption**

- (a) At any time and from time to time, the Debenture Holder shall have the option, in its sole discretion, to elect to require the Corporation to redeem all or any portion of the Obligations by issuing to the Debenture Holder Conversion Shares having a Market Price equal to the amount of Obligations required to be redeemed, whereupon the Corporation shall within five (5) Business Days issue to the Debenture Holders such Conversion Shares.

- (b) The Corporation may, with the prior written approval of the Debenture Holder, redeem this Debenture prior to the Maturity Date either in whole at any time or, when not in default hereunder, in part from time to time for a cash amount equal to the outstanding Obligations.
- (c) The rights of redemption and the rights provided for pursuant to Section 2.6 arising from an Equity Offering shall extend only to a whole number of Conversion Shares, and upon conversion of the whole Obligations. Notwithstanding anything contained herein, the Corporation shall in no case be required to issue fractional Conversion Shares upon the conversion of any Obligations. If any fractional interest in a Conversion Share would, except for the provisions of this Section 2.5(c), be deliverable upon the conversion of any Obligations, the Corporation shall adjust such fractional interest by paying to the Debenture Holder an amount in lawful money of Canada equal to the Obligations then outstanding after so much of the Obligations as may be converted into a whole number of Conversion Shares has been converted. Any Conversion Shares issued or delivered pursuant to this Debenture shall be fully paid and non-assessable, without any further compensation therefor.
- (d) To benefit from the redemption of any Obligations into Conversion Shares, the Debenture Holder shall surrender this Debenture to the Corporation at its principal office, together with an Equity Notice duly completed and executed by the Debenture Holder. Thereupon such Debenture Holder or, subject to compliance with any requirements of any applicable securities laws determined by the Corporation acting reasonably, its nominee(s) approved by the Corporation, shall be entitled to be entered in the books of the Corporation as at the date of the Equity Notice as the holder of the number of Conversion Shares into which the Conversion Amount is convertible, in accordance with the provisions of this Article and, as soon as practicable thereafter, the Corporation shall deliver to such Debenture Holder, or subject as aforesaid, its nominee(s), certificates for such Conversion Shares, and if applicable, payment for any amount payable under Section 2.5.
- (e) The surrender of this Debenture accompanied by such Equity Notice shall be deemed to constitute a contract between the Debenture Holder and the Corporation whereby: (i) the Debenture Holder subscribes for the number of Conversion Shares which it shall be entitled to receive on such conversion; (ii) the Debenture Holder releases the Corporation of all liability thereon or from all liability with respect to that portion of the Obligations to be converted; and (iii) the Corporation agrees that the surrender of this Debenture for conversion constitutes full payment of the subscription price for the Conversion Shares issuable upon such conversion.
- (f) The Debenture Holder shall be entitled to receive and the Corporation shall deliver to the Debenture Holder a new Debenture for any unconverted portion of the Obligations so surrendered.
- (g) The Corporation covenants with the Debenture Holder that it will at all times reserve and keep available out of its authorized Conversion Shares, solely for the purpose of issue upon conversion of the Obligations under this Section 2.5, and conditionally allot to the Debenture Holder, such number of Conversion Shares as

shall then be issuable upon the full conversion of the Obligations. The Corporation covenants with the Debenture Holder that all Conversion Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

- (h) Certificates representing the Conversion Shares issuable upon conversion of the Debenture as provided for in this Article will bear such legend(s) denoting the restrictions on transferability posed by any unanimous shareholders agreement and by applicable corporate and securities laws. The Debenture Holder agrees to sell, assign or transfer such Conversion Shares only in accordance with the requirements of all such legends and all applicable corporate and securities laws.

2.6 Equity Offering

On the day after the closing date of an Equity Offering, the Corporation shall redeem this Debenture for Conversion Shares at the Conversion Price. Furthermore, upon the Corporation converting this Debenture in accordance with this Section 2.6, the Debenture Holder will have the option to require the Corporation to exchange the Conversion Shares received by the Debenture Holder hereunder into the class of equity securities being offered under the Equity Offering on a *pro rata* basis upon the closing of the Equity Offering, provided the equity securities being offered under the Equity Offering are not Conversion Shares.

2.7 Satisfaction through Redemption

Occurrence of any of the redemption events described herein will be deemed to be payment in satisfaction of the Obligations under this Debenture, whereupon this Debenture and the Security Interest created hereby shall be discharged, all without delivery of any instrument or performance of any act by any party. The Debenture Holder shall, at the request and expense of the Corporation, execute and deliver to the Corporation such documents as the Corporation shall reasonably request to evidence any termination or release contemplated by this Section.

2.8 Mutilation, Loss, Theft or Destruction

In case the Debenture certificate becomes mutilated, lost, stolen or destroyed, the Corporation, in its discretion, may issue and deliver a new Debenture certificate upon surrender and cancellation of the mutilated Debenture certificate or, in the case of a lost, stolen or destroyed Debenture certificate, in lieu of and in substitution for the same. In case of loss, theft or destruction, the Debenture Holder shall furnish to the Corporation such evidence of such loss, theft or destruction as shall be satisfactory to the Corporation in its discretion and shall also furnish an indemnity satisfactory to the Corporation in its discretion. The Debenture Holder shall pay all reasonable expenses incidental to the issuance of any substituted Debenture certificate.

3. SECURITY

3.1 Grant of Security

As general and continuing collateral security for the due payment of the Principal Sum, the Interest Amount and all other monies payable hereunder or from time to time secured hereby and as security for the performance and observance of the covenants and agreements on the part of the Corporation herein contained, the Corporation hereby grants to and in favour of the Debenture Holder:

- (a) a first and fixed Security Interest over all of the Corporation's right, title and interest, whether freehold, leasehold or other, under or in respect of any lands and leases (and related tangibles) in which the Debenture Holder has an interest;
- (b) a Security Interest over all of the Corporation's present and after-acquired real property not validly made subject to the fixed charge granted in clause (a) of this Section; and
- (c) a first priority Security Interest in and over all of the Corporation's present and after-acquired personal property, tangible and intangible, in each case, of every nature and kind and wherever situate, including, without limitation, accounts, general intangibles, goods (including inventory, equipment and fixtures), chattel paper, investment property, documents of title, instruments, money, cash and cash equivalents, trade-marks, copyrights, patents, licenses and other intellectual property or intangibles and all proceeds thereof.

In this Debenture, the subject matter of the Security Interest is referred to as the "**Collateral**".

For better securing to the Debenture Holder the repayment in the manner aforesaid of the Principal Sum, interest and other monies hereby secured, and for the due performance by the Corporation of all of the covenants, provisos and conditions herein expressed or implied, the Corporation hereby mortgages to the Debenture Holder all of its estate and interest in the Collateral.

3.2 Fixed Security

Without limiting its rights hereunder to crystallize the Security Interest in any manner, the Debenture Holder may, at any time, upon the occurrence of and during the continuance of an Event of Default register such Security Interest in respect of all or a portion of the Collateral which is subject thereto under Section 3.1 by: (a) giving notice to the Corporation of, and (b) registering this Debenture or a caveat, security notice, financing statement or other instrument in respect of this Debenture, at any public registry or other office maintained for the purposes of registering fixed and specific Security Interests, and after such fixing, such Security Interest in respect of such Collateral that is the subject of the registration shall constitute a fixed and specific Security Interest in favour of the Debenture Holder and its successors and assigns, in respect of such Collateral, and the Corporation shall not thereafter dispose of or otherwise deal with such Collateral without the consent of the Debenture Holder. The Corporation shall execute such further documents and do all acts reasonably requested by the Debenture Holder to give effect to the foregoing.

3.3 Disposition of Assets in the Ordinary Course of Business

Until the occurrence of an Event of Default, the Corporation may dispose of or deal with the Collateral in the ordinary course of its business and for the purpose of carrying on the same, so that purchasers thereof or parties dealing with such Corporation take title thereto free and clear of the Security Interest. In the event of any such disposition in the ordinary course of business, the Debenture Holder will, at the written request (which will include a certificate of such Corporation stating that such Collateral is being dealt with or disposed of in accordance with this Section 3.3) and at the sole expense of such Corporation, release its Security Interest over the Collateral which is being or has been disposed.

3.4 Leasehold Interests

The Security Interest will not extend or apply to the last day of the term of any lease of real property or agreement therefor, but upon the enforcement of the Security Interest, the relevant Corporation will stand possessed of such last day in trust to assign the same at the direction of the Debenture Holder to any Person acquiring such term.

3.5 Contractual Rights

The Security Interest does not and will not extend to, and the Collateral will not include, any agreement, right, franchise, licence or permit (the “**Contractual Rights**”) to which any Corporation is a party or of which any Corporation has the benefit, to the extent that the creation of the Security Interest would constitute a breach of the terms of or permit any Person to terminate the Contractual Rights, but any such Corporation will hold its interest therein in trust for the Debenture Holder to the extent permitted by law and will assign such Contractual Rights to the Debenture Holder forthwith upon obtaining the consent of the other party or parties thereto. The Corporation will use all commercially reasonable efforts to obtain the consent of each other party to any and all Contractual Rights to the assignment of such Contractual Rights to the Debenture Holder in accordance with this Debenture. The Corporation will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Debenture expressly permit assignments of the benefits of such agreements as collateral security to the Debenture Holder in accordance with the terms of this Debenture.

3.6 Attachment of Security Interest

The Corporation confirms that value has been given, that such Corporation has rights in its Collateral, other than after-acquired Collateral, that such Corporation and the Debenture Holder have not agreed to postpone the time for attachment of the Security Interest to any of the Collateral. In respect of Collateral which is acquired after the date of execution hereof, the time for attachment will be the time when any Corporation acquires such Collateral. The Corporation acknowledges receipt of an executed copy of this Debenture. The Corporation waives the right to receive a printed copy of any financing statement issued by any registry or a copy of the statement used by any such registry to confirm any registration in connection with this Debenture. The Corporation waives the right to receive any amount that it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty, or otherwise) by reason of the failure of the Debenture Holder to deliver to the Corporation a copy of any financing statement or any statement issued by any registry that confirms registration of a financing statement relating to this Debenture.

3.7 Corporation’s Continuing Obligations

Notwithstanding the provisions of this Debenture: (i) the Corporation shall remain liable to perform all of its duties and obligations in regard to its Collateral (including, without limitation, all of its duties and obligations arising under any leases, licenses, permits, reservations, contracts, agreements, instruments, contractual rights and governmental orders, authorizations, licenses and permits now or hereafter pertaining thereto) to the same extent as if this Debenture had not been executed; (ii) the exercise by the Debenture Holder of any of its rights and remedies under or in regard to this Debenture shall not release any such Corporation from such duties and obligations; and (iii) the Debenture Holder shall have no liability for such duties and obligations or be accountable for any reason to any such Corporation by reason only of the execution and delivery of this Debenture.

3.8 Non-Impairment of Security Interest

To the extent permitted by applicable law, the Security Interest shall not be impaired by any indulgence, moratorium or release which may be granted including, but not limited to, any renewal, extension or modification which may be granted with respect to any secured indebtedness, or any surrender, compromise, release, renewal, extension, exchange or substitution which may be granted in respect of the Collateral, or any part thereof or any interest therein, or any release or indulgence granted to any endorser, guarantor or surety of any of the Obligations.

4. EVENTS OF DEFAULT

4.1 Event of Default

The occurrence of any one or more of the following shall constitute an event of default under this Debenture (each, an “**Event of Default**”):

- (a) if the Corporation makes default in payment of the Principal Sum and Interest Amount when the same becomes due and payable under this Debenture;
- (b) if the Corporation defaults in the observation or performance of any covenant, condition, or obligation contained in this Debenture, or any representation and warranty made or deemed to be made by the Corporation contained in this Debenture is found to be false or incorrect, and such default is not waived, cured or remedied to the satisfaction of the Debenture Holder within thirty (30) days of Corporation receiving written notification of such an event by the Debenture Holder;
- (c) the institution by the Corporation of proceedings to be adjudicated a bankrupt or insolvent or the consent by it to the institution of bankruptcy or insolvency proceedings against it or the filing by it of a petition or answer or consent seeking reorganization or relief under any Insolvency Law, or the consent by it to the filing of any such petition or to the appointment under any such law of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Corporation or of substantially all of its property, or the making by it of a general assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due;
- (d) the entry of a decree or order by a court having jurisdiction adjudging the Corporation a bankrupt or insolvent or approving as properly filed a petition seeking reorganization, arrangement or adjustment of or in respect of the Corporation under any Insolvency Law, or appointing under any such Insolvency Law or otherwise a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Corporation or of substantially all of its property, or ordering pursuant to any such Insolvency Law the winding-up or liquidation of its affairs;
- (e) proceedings are commenced for the winding-up, liquidation or dissolution of the Corporation;
- (f) if the Corporation or any of its subsidiaries fails to pay the principal of, or premium or interest on, any of its debt (other than this Debenture) which is outstanding in

an aggregate principal amount exceeding CDN\$1,000,000 when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise); OR

- (g) if there has occurred, in the sole opinion of the Debenture Holder, acting reasonably, an event or development that constitutes or would reasonably be expected to constitute a Material Adverse Effect.

4.2 Remedies upon Event of Default

Upon the occurrence and during the continuance of an Event of Default, the Debenture Holder shall have the right, at its sole discretion, without presentment, notice of nonpayment or non-performance, protest or notice of protest, other than as required by applicable law, to declare the entire unpaid balance of the Obligations to be immediately payable and to collect the Obligations forthwith, whereupon all Obligations shall become due and payable (an "**Acceleration**"), and the Debenture Holder shall be entitled and empowered to exercise any of the remedies specified below:

- (a) The Debenture Holder may institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Corporation or other obligors upon this Debenture and collect in the manner provided by law out of the property of the Corporation or other obligors upon this Debenture wherever situated the monies adjudged or decreed to be payable, and take any actions the Debenture Holder deems appropriate to protect and enforce the rights vested in it by this Debenture by such appropriate judicial proceedings as the Debenture Holder shall deem most effectual to protect and enforce any of such rights, either at law or in equity and either in bankruptcy or otherwise;
- (b) If permitted by applicable law, the Debenture Holder may appoint by instrument in writing one or more receivers, managers or receiver/manager for the Collateral or the business and undertaking of the Corporation pertaining to the Collateral (the "**Receiver**"). Any such Receiver will have, in addition to any other rights, remedies and powers which a Receiver may have at law, in equity or by statute, the rights and powers set out in Sections 4.2(c) through (f). In exercising such rights and powers, any Receiver will act as, and for all purposes will be deemed to be the agent of, the Corporation and the Debenture Holder will not be responsible for any act or default of any Receiver. The Debenture Holder may remove any Receiver and appoint another from time to time. No Receiver appointed by the Debenture Holder need be appointed by, nor need its appointment be ratified by, or its actions in any way supervised by, a court;
- (c) The Debenture Holder or any Receiver may, subject to applicable law, sell, consign, lease or otherwise dispose of any Collateral by public auction, private tender, private contract, lease or deferred payment with or without notice, advertising or any other formality, all of which are hereby waived by the Corporation to the extent permitted by applicable law. The Debenture Holder or any Receiver may, at its discretion establish the terms of such disposition, including terms and conditions as to cash proceeds, credit, upset, reserve bid or price. All payments made pursuant to such dispositions will be credited against the

Principal Sum only as they are actually received. The Debenture Holder or any Receiver may buy in, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Debenture Holder or any Receiver has taken possession of the Collateral;

- (d) The Debenture Holder or any Receiver may pay any liability secured by any actual or threatened Security Interest against any Collateral. The Debenture Holder or any Receiver may borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Corporation pertaining to the Collateral and may grant Security Interests in any Collateral (in priority to the Security Interest or otherwise) as security for the money so borrowed. The Corporation will forthwith upon demand reimburse the Debenture Holder or any Receiver for all such payments and borrowings and such payments and borrowings will be secured hereby and will be added to the money hereby secured and bear interest at the Interest Rate;
- (e) The Debenture Holder or any Receiver may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with any Collateral in such manner, upon such terms and conditions and at such time as it deems advisable, subject to applicable law, including without limitation:
 - (i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Collateral;
 - (ii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection with Section 4.2(e)(i);
 - (iii) to file any claims or take any action or institute any proceedings which the Debenture Holder may deem to be necessary or desirable for the collection of the Collateral or to enforce compliance with the terms and conditions of any contract or any account; and
 - (iv) to perform the affirmative obligations of the Corporation hereunder (including, without limitation, all obligations of the Corporation pursuant to this Debenture and the other credit documents);
- (f) The Debenture Holder or any Receiver may carry on, or concur in the carrying on of, any or all of the business or undertaking of the Corporation and enter on, occupy and use (without charge by the Corporation) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Corporation;
- (g) The Debenture Holder may, at any time, apply to a court of competent jurisdiction for the appointment of a Receiver, or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Debenture Holder pursuant to this Debenture or file proof of claims and other documents with a court of competent jurisdiction in any proceeding relative to any Corporation;

- (h) Instead of, or in addition to, exercising its rights, remedies and powers under Sections 4.2(b), (g) and (i), the Debenture Holder has, and may exercise, any of the rights and powers which are capable of being granted to a Receiver appointed by the Debenture Holder pursuant to this Debenture; and
- (i) The Debenture Holder may, subject to applicable law, elect to retain any Collateral in satisfaction of the Obligations, and may designate any part of the Obligations to be satisfied by the retention of particular Collateral which the Debenture Holder considers to have a net realizable value approximating the amount of the designated part of the Obligations, in which case only the designated part of the Obligations will be deemed to be satisfied by the retention of the particular Collateral.

4.3 **Effect of Exercise of Remedies**

- (a) The Debenture Holder will not be liable or accountable for any failure to take possession of, seize, collect, realize, dispose of, enforce or otherwise deal with any Collateral and it will not be bound to institute proceedings for any such purposes or for the purpose of reserving any rights, remedies and powers of the Debenture Holder, the Corporation or any other Person in respect of any Collateral. If any Receiver or the Debenture Holder takes possession of any Collateral, neither the Debenture Holder nor any Receiver will have any liability as a mortgagee in possession or be accountable for anything except actual receipts.
- (b) Following any Acceleration, the Debenture Holder may grant renewals, extensions of time and other indulgences, accept compositions, grant releases and discharges, and otherwise deal or fail to deal with the Corporation, debtors of the Corporation, guarantors, sureties and others and with any Collateral as the Debenture Holder may see fit, all without prejudice to the liability of the Corporation to the Debenture Holder's rights, remedies and powers under this Debenture;
- (c) No Person dealing with the Debenture Holder or any Receiver, or with any officer, employee, agent or solicitor of the Debenture Holder or any Receiver will be concerned to inquire whether the Security Interests have become enforceable, whether the right, remedy or power of the Debenture Holder or the Receiver has become exercisable, whether the Principal Sum remaining outstanding or otherwise as to the propriety or regularity of any dealing by the Debenture Holder or the Receiver with any Collateral or to see to the application of any money paid to the Debenture Holder or the Receiver, and in the absence of fraud on the part of such Person such dealings will be deemed, as regards such Person, to be within the rights, remedies and powers hereby conferred and to be valid and effective accordingly.
- (d) As soon as the Debenture Holder takes possession of any Collateral or appoints a Receiver to do so, all powers, functions, rights and privileges of the Corporation including, without limitation, any such powers, functions, rights and privileges which have been delegated to directors, officers of the Corporation or committees with respect to such Collateral will cease, unless specifically continued by the written consent of the Debenture Holder or the Receiver.

- (e) The rights of the Debenture Holder (whether arising under this Debenture, any other agreement, at law or in equity) will not be capable of being waived or varied otherwise than by an express waiver or variation in writing, and in particular any failure to exercise or any delay in exercising any of such rights will not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any of such rights will not preclude any other or further exercise of that or any other such right, and no act or course of conduct or negotiation on the part of the Debenture Holder or on its behalf will in any way preclude the Debenture Holder from exercising any such right or constitute a suspension or any variation of any such right.
- (f) The rights, remedies and powers conferred by this Article are in addition to, and not in substitution for, any other rights, remedies or powers that the Debenture Holder may have under this Debenture, at law, in equity or by any other statute or agreement. The Debenture Holder may proceed by way of any action, suit or other proceeding at law or in equity and no right, remedy or power of the Debenture Holder will be exclusive of or dependent on any other. The Debenture Holder may exercise any of their rights, remedies or powers separately or in combination and at any time.

4.4 Intellectual Property

For the purpose of enabling the Debenture Holder and any Receiver to exercise rights and remedies hereunder following Acceleration, and for no other purposes, the Corporation hereby grants to the Debenture Holder and any Receiver an irrevocable, non-exclusive license, (exercisable without payments of royalty or other compensation to the Corporation) to use, assign, license or sub-license any of the Collateral of the Corporation consisting of trade-marks, copyrights, patents, licenses and other intellectual property in which the Corporation now has or hereafter acquires rights, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The Debenture Holder shall not exercise its rights under the foregoing license except following Acceleration.

4.5 Deliver Possession

If the Debenture Holder or any Receiver exercises their rights herein to take possession of the Collateral, the Corporation will upon request from the Debenture Holder or any such Receiver, assemble and deliver possession of the Collateral at such place or places as directed by the Debenture Holder or any such Receiver.

4.6 Release

If the Corporation pays to the Debenture Holder the balance of the Obligations, then the Debenture Holder will, at the written request and sole expense of the Corporation, reassign and re-convey the Collateral to the Corporation and release the Security Interest.

4.7 Attorney in Fact

The Corporation hereby irrevocably constitutes and appoints the Debenture Holder and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Corporation and in the name of

the Corporation or in its own name, from time to time in the Debenture Holder's discretion, following any Acceleration for the purpose of carrying out the terms of this Debenture, to take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Debenture and which the Corporation being required to take or execute has failed to take or execute. The Corporation hereby ratifies all that said attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and will be irrevocable until the Obligations have been unconditionally and irrevocably paid and performed in full. The Corporation also authorizes the agent, at any time and from time to time, to execute any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral in connection with the sale provided for in Section 4.2(c).

4.8 Waiver

The Debenture Holder may, by instrument in writing signed by the Debenture Holder or by an authorized officer of the Debenture Holder, but not otherwise, waive any breach by the Corporation of any of the provisions contained in this Debenture or any default by the Corporation in the observance or performance of any covenant, agreement or condition required to be kept, observed or performed by the Corporation under the terms of this Debenture; provided always that no act or omission of the Debenture Holder in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or to affect the rights of the Debenture Holder resulting therefrom.

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties

The Corporation represents and warrants to the Debenture Holder as follows:

- (a) it is a Corporation duly formed, validly existing and in good standing under the laws of the Province of Alberta, it has all requisite power and authority to own, lease and operate its assets and property, carry on its business as currently conducted and the Corporation's subsidiaries are duly formed, validly existing and in good standing under the law of its place of formation and it has the power to own and operate its respective assets and property and carry on their respective business as currently conducted;
- (b) the Corporation is duly qualified, licensed or registered to carry on or transact business and are in good standing in each jurisdiction in which such qualification, licensing or registration is necessary;
- (c) this Debenture has been duly executed and delivered by, and constitutes a legal, valid and binding obligation of, and is enforceable against, the Corporation in accordance with its terms; and
- (d) it has the necessary power, capacity and authority to enter into and deliver this Debenture and all corporate action on the part of the Corporation, and its officers, directors and shareholders, necessary for the authorization, execution and delivery of this Debenture, the performance of all obligations of the Corporation hereunder has been duly and effectively taken.

5.2 Merger of Representations and Warranties

The representations and warranties in this Debenture and in any certificates or documents delivered to the Debenture Holder shall not merge in or be prejudiced by and shall survive any advance and shall continue in full force and effect so long as any amounts are owing by the Corporation to the Debenture Holder.

6. COVENANTS

6.1 Covenants

So long as the Debenture remains outstanding, the Corporation shall:

- (a) at any time and from time to time, upon the written request of the Debenture Holder, and at the sole expense of the relevant Corporation, the Corporation will promptly and duly execute and deliver such further instruments and documents and take such further action as the Debenture Holder may reasonably request for the purpose of obtaining or preserving the full benefits of this Debenture and of the rights and powers herein granted, including the filing or execution of any financing or financing change statements under any applicable law with respect to the Security Interest;
- (b) pay or cause to be paid all Obligations and other amounts payable under this Debenture punctually when due;
- (c) preserve and maintain its corporate existence;
- (d) carry on and conduct its business and operate its properties in a lawful, efficient, diligent and businesslike manner and in accordance with good business practices;
- (e) comply in all material respects with the requirements of all applicable laws, judgments, orders, decisions and awards and maintain all permits, licenses, consents and approvals necessary to the ownership of its property and to the conduct of its business in each jurisdiction where it carries on material business or owns material property and necessary in order for the Corporation to comply with its obligations to the Holder, including those issued or granted by governmental entities, in each case except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect; and
- (f) insure and keep insured all properties customarily insured by Persons engaged in the same or a similar business in similar locations or owning or operating such properties, against loss or damage by fire and from other causes customarily insured against by such Persons and deliver to the Debenture Holder upon request evidence that all policies of insurance it is required to maintain are in full force and effect.

7. GENERAL

7.1 Successors and Assigns

The provisions of this Debenture will be binding upon the Corporation and its successors and will enure to the benefit of the Debenture Holder and their respective successors and assigns. This Debenture is not a negotiable instrument and may be not transferred or assigned by the Debenture Holder in whole or in part without the prior written consent of the Corporation.

7.2 Transfers of Collateral

In the event the ownership of the Collateral or any part thereof becomes vested in a Person other than the Corporation, then, without notice to the Debenture Holder, such successor or successors in interest may be dealt with, with reference to this Debenture and to the indebtedness secured hereby, in the same manner as with such Corporation, without in any way vitiating or discharging such Corporation's liability hereunder or for the payment of the indebtedness or performance of the obligations secured hereby. No transfer of the Collateral, no forbearance, and no extension of the time for the payment of the indebtedness secured hereby, shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of such Corporation hereunder or for the payment of the indebtedness or performance of the obligations secured hereby, or the liability of any other Person hereunder or for the payment of the indebtedness secured hereby.

7.3 Governing Law

This Debenture will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without giving effect to the conflict of law principles thereof. Without prejudice to the ability of the Debenture Holder to enforce this Debenture in any other proper jurisdiction, the Corporation hereby irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta, or any appellate courts thereof, for the purposes of this Debenture.

7.4 Severability

Each Section of this Debenture is distinct and severable. If any Section of this Debenture, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect the legality, validity or enforceability of the remaining Sections of this Debenture, in whole or in part, or the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

7.5 Time of Essence

Time is of the essence in all respects of this Debenture.

7.6 Legal Rates of Interest

The Corporation covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Corporation from paying all or any portion of the Principal Sum or Interest Amount on this Debenture, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the

performance of this Debenture. If any provision of this Debenture would oblige the Corporation to make any payment of interest or other amount payable to any holder in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that holder of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by that holder of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: (i) first, by reducing the amount or rate of interest required to be paid to the holder hereunder and (ii) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the holder which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).

7.7 Waivers

No consent or waiver by the Debenture Holder will be effective unless made in writing and signed by an authorized officer of the Debenture Holder, which makes specific reference to the provision being waived.

7.8 Amendment

This Debenture may be amended only by an agreement in writing signed by the Corporation and the Debenture Holder.

7.9 Currency

All references to currency herein shall be to lawful money of Canada.

7.10 Entire Agreement

This Debenture embodies the entire agreement and understanding between the Debenture Holder and the Corporation. This Debenture shall supersede all prior agreements and understandings relating to the subject matter hereof.

7.11 Notices

All notices or other communication required or permitted by this Debenture must be in writing and be delivered personally or by courier, sent by prepaid registered mail or transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid. Any such notices or communications must be sent to the intended recipient at its address as follows:

- (a) If to the Corporation:

9046 22nd Avenue SW
Edmonton, AB T6X 1Z6

Attention: Jeff Ryks, CPA CMA
Chief Financial Officer
Email: jeff.ryks@mantlegroup.ca

- (b) If to the Debenture Holder:

c/o Resource Land Holdings, LLC
1400 16th Street, Suite 320
Denver, CO 80202

Attention: Byron Levkulich, CFA, CPA
Email: byron.levkulich@rlholdings.com

or at any other address as any recipient may at any time advise the other by notice given or made in accordance with this Section 7.11. Any notice will be deemed to have been given or made and received on the day it is delivered at the recipient's address, provided that if that day is not a Business Day then the notice will be deemed to have been given or made and received on the next Business Day. Any notice sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every notice must be delivered personally or by courier or transmitted by e-mail or functionally equivalent electronic means of transmission. Any notice transmitted by e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the notice is transmitted on a day which is not a Business Day or after 4:00 pm (local time of the recipient), the notice will be deemed to have been given or made and received on the next Business Day.

7.12 Subordination Agreement

Notwithstanding anything to the contrary contained herein, this Debenture is subject to the terms of a Subordination Agreement dated as of _____, 2022 among the Debenture Holder, the Fiera Lenders and the Corporation (as may be amended, restated, replaced, supplemented or otherwise modified in accordance with the terms therein).

7.13 Electronic Signatures and Delivery

This Debenture and any counterpart of it may be signed by manual, digital or other electronic signatures and delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission, and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Corporation and Debenture Holder.

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APPENDIX "A"
EQUITY NOTICE

TO: Mantle Materials Group, Ltd. (the "**Corporation**")

The undersigned hereby irrevocably elects to receive securities of the Corporation in accordance with the terms of the convertible debenture issued by the Corporation on _____, 2022 (the "**Debenture**"). The undersigned directs that the securities issuable and deliverable upon the redemption be issued and delivered to the Debenture Holder. Unless otherwise defined herein, the capitalized terms used herein have the meaning ascribed thereto in the Debenture.

DATED _____, 20__.

(Signature of Debenture Holder)

ACCEPTED:

MANTLE MATERIALS GROUP, LTD.

Per: _____
Authorized Signatory

SCHEDULE "B"
AMORTIZATION AND PAYMENT

Mantle Materials Group

RLF V Senior Secured Note (Amortization Schedule)

Initial Balance (10/18/22)	94,000
Pre 6/30/23 Interest Rate	9.0%
Balance at 6/30/23	\$100,078
Post 6/30/23 Interest Rate	7.0%
Number of Periods	71
Post 6/30/23 Mo. Payment	\$1,726
Maturity Date	4/26/2029

<u>Date</u>	<u>Beginning Balance</u>	<u>Interest</u>	<u>Principal</u>	<u>Total Payment</u>	<u>Ending Balance</u>
10/18/2022	\$0	\$0	\$0	\$0	\$94,000
11/15/2022	94,000	649	0	0	94,649
12/15/2022	94,649	700	0	0	95,349
1/15/2023	95,349	729	0	0	96,078
2/15/2023	96,078	734	0	0	96,812
3/15/2023	96,812	668	0	0	97,481
4/15/2023	97,481	745	0	0	98,226
5/15/2023	98,226	727	0	0	98,952
6/15/2023	98,952	756	0	0	99,709
6/30/2023	99,709	369	0	0	100,078
7/15/2023	100,078	288	1,438	1,726	98,640
8/15/2023	98,640	586	1,139	1,726	97,501
9/15/2023	97,501	580	1,146	1,726	96,355
10/15/2023	96,355	554	1,171	1,726	95,184
11/15/2023	95,184	566	1,160	1,726	94,024
12/15/2023	94,024	541	1,185	1,726	92,839
1/15/2024	92,839	552	1,174	1,726	91,666
2/15/2024	91,666	545	1,181	1,726	90,485
3/15/2024	90,485	503	1,222	1,726	89,263
4/15/2024	89,263	531	1,195	1,726	88,068
5/15/2024	88,068	507	1,219	1,726	86,849
6/15/2024	86,849	516	1,209	1,726	85,640
7/15/2024	85,640	493	1,233	1,726	84,407
8/15/2024	84,407	502	1,224	1,726	83,183
9/15/2024	83,183	495	1,231	1,726	81,952
10/15/2024	81,952	472	1,254	1,726	80,698
11/15/2024	80,698	480	1,246	1,726	79,452
12/15/2024	79,452	457	1,268	1,726	78,184
1/15/2025	78,184	465	1,261	1,726	76,923
2/15/2025	76,923	457	1,268	1,726	75,655
3/15/2025	75,655	406	1,319	1,726	74,335
4/15/2025	74,335	442	1,284	1,726	73,052
5/15/2025	73,052	420	1,305	1,726	71,747
6/15/2025	71,747	427	1,299	1,726	70,448
7/15/2025	70,448	405	1,320	1,726	69,127
8/15/2025	69,127	411	1,315	1,726	67,813
9/15/2025	67,813	403	1,322	1,726	66,490
10/15/2025	66,490	383	1,343	1,726	65,147
11/15/2025	65,147	387	1,338	1,726	63,809
12/15/2025	63,809	367	1,358	1,726	62,450
1/15/2026	62,450	371	1,354	1,726	61,096
2/15/2026	61,096	363	1,362	1,726	59,734
3/15/2026	59,734	321	1,405	1,726	58,329
4/15/2026	58,329	347	1,379	1,726	56,950
5/15/2026	56,950	328	1,398	1,726	55,552
6/15/2026	55,552	330	1,395	1,726	54,157
7/15/2026	54,157	312	1,414	1,726	52,743
8/15/2026	52,743	314	1,412	1,726	51,331
9/15/2026	51,331	305	1,420	1,726	49,911
10/15/2026	49,911	287	1,438	1,726	48,472
11/15/2026	48,472	288	1,437	1,726	47,035
12/15/2026	47,035	271	1,455	1,726	45,580
1/15/2027	45,580	271	1,455	1,726	44,125
2/15/2027	44,125	262	1,463	1,726	42,662
3/15/2027	42,662	229	1,496	1,726	41,165
4/15/2027	41,165	245	1,481	1,726	39,685
5/15/2027	39,685	228	1,497	1,726	38,187
6/15/2027	38,187	227	1,499	1,726	36,689
7/15/2027	36,689	211	1,514	1,726	35,174
8/15/2027	35,174	209	1,516	1,726	33,658
9/15/2027	33,658	200	1,525	1,726	32,132
10/15/2027	32,132	185	1,541	1,726	30,592
11/15/2027	30,592	182	1,544	1,726	29,048
12/15/2027	29,048	167	1,558	1,726	27,490
1/15/2028	27,490	163	1,562	1,726	25,927
2/15/2028	25,927	154	1,571	1,726	24,356
3/15/2028	24,356	135	1,590	1,726	22,766

4/15/2028	22,766	135	1,590	1,726	21,176
5/15/2028	21,176	122	1,604	1,726	19,572
6/15/2028	19,572	116	1,609	1,726	17,963
7/15/2028	17,963	103	1,622	1,726	16,340
8/15/2028	16,340	97	1,628	1,726	14,712
9/15/2028	14,712	87	1,638	1,726	13,074
10/15/2028	13,074	75	1,650	1,726	11,424
11/15/2028	11,424	68	1,658	1,726	9,766
12/15/2028	9,766	56	1,669	1,726	8,096
1/15/2029	8,096	48	1,677	1,726	6,419
2/15/2029	6,419	38	1,687	1,726	4,732
3/15/2029	4,732	25	1,700	1,726	3,031
4/15/2029	3,031	18	1,708	1,726	1,324
4/26/2029	\$1,324	\$3	\$1,324	\$1,327	\$0

THIS IS EXHIBIT "O" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

AGREEMENT GOVERNING ATB ASSUMED DEBT

THIS AGREEMENT is dated as of the 26th day of April, 2021

B E T W E E N :

Mantle Materials Group, Ltd. (“Mantle”), JMB Crushing Systems Inc. (“JMB”) and 2161889 Alberta Ltd. (“216”,
and together with JMB, the **“Mantle Parties”,** and individually, a **“Mantle Party”**)

- and -

ATB Financial (“ATB”)

CONTEXT:

- A. JMB carries on the business of extracting, processing, selling and delivery and hauling of gravel and other aggregates in the Province of Alberta and, together with 216, owns or has interests in various gravel and other aggregate pits throughout the Province.
- B. JMB is indebted to ATB under the ATB Loan Agreement. The ATB Indebtedness is guaranteed, *inter alia*, by 216 and secured by certain Security Interests created by the ATB GSAs.
- C. JMB and 216 applied to the Court of Queen’s Bench of Alberta (the **“Court”**) for protection under the CCAA and the Honourable Madam Justice K.M. Eidsvik pronounced an initial order on May 1, 2020 granting the JMB Parties such protection, as amended and restated by an order pronounced on May 11, 2020, under which proceedings against the JMB Parties were stayed and FTI Consulting Canada Inc. was approved as monitor.
- D. Pursuant to the amended and restated purchase agreement dated as of March 3, 2021 (the **“Purchase Agreement”**) between JMB, 216 and Mantle, JMB and 216 will be subsidiaries of Mantle’s parent company and certain core assets of JMB and 216 are either to be retained by JMB and 216 or acquired by Mantle, with the remaining assets and excluded liabilities to be bested in ResidualCo.
- E. The Purchase Agreement provides for Mantle becoming liable for a portion of the ATB Indebtedness pursuant to the Amended Plan and this Agreement sets out the terms governing such assumption.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, in addition to terms defined elsewhere in this Agreement, the following terms have the following meanings:

- (a) **“216”** is defined in Context paragraph A;

- (b) “**216 GSA**” means the security agreement dated March 20, 2020 by 216 in favour of ATB, the particulars of which are set out on **Schedule “A”**;
- (c) “**Affiliate**” means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries Controls or is Controlled by or is under common Control with the Person specified;
- (d) “**Aggregate**” means aggregates including Sand and Gravel;
- (e) “**Aggregate Pit**” is defined in the Purchase Agreement;
- (f) “**Aggregate Pit Agreements**” means the Royalty Agreements, Surface Material Leases and other Dispositions listed on **Schedule “B”** and all amendments, renewals and extensions of such documents and all documents issued in substitution therefor;
- (g) “**Aggregate Reserves**” means reserves of Aggregate located in and under the Lands subject to the Aggregate Pit Agreements and in and under the JMB Real Property that has not been extracted as of the date of this Agreement;
- (h) “**Agreement**” means this agreement, including all Schedules, as it may be confirmed, amended, modified, supplemented or restated by written agreement between the Parties;
- (i) “**Amended Plan**” means the amended and restated plan of arrangement of JMB, 216 and Mantle under the CCAA and the *Business Corporations Act*, SBC 2002, c 57, as amended and approved pursuant to the Amended Sanction Order;
- (j) “**Amended RVO**” means the amended and restated reverse vesting order pronounced by the Honourable Madam Justice K.M. Eidsvik on March 31, 2021;
- (k) “**Amended Sanction Order**” means the amended and restated sanction order pronounced by the Honourable Madam Justice K.M. Eidsvik on March 31, 2021;
- (l) “**Amended SAVO**” means the amended and restated sale approval and vesting order pronounced by the Honourable Madam Justice K.M. Eidsvik on March 31, 2021;
- (m) “**Applicable Law**” means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, orders and policies of any Governmental Authority having authority over that Person, property, transaction or event;
- (n) “**ATB**” is defined in the introductory paragraph of this Agreement;
- (o) “**ATB Assumed Debt**” is defined in Section 2.1(a);
- (p) “**ATB GSAs**” means the ATB GSA and the 216 GSA;
- (q) “**ATB Indebtedness**” means any indebtedness, liabilities and obligations of any kind whatsoever, whether direct, indirect, liquidated or contingent, which immediately prior to Closing is owing by JMB and 216 to ATB;

- (r) “**ATB Loan Agreement**” means the letter loan agreement dated October 16, 2019 by ATB to JMB, as amended;
- (s) “**ATB Loan Documents**” means this Agreement, the ATB Mortgage, the ATB Loan Agreement, the ATB GSAs and the other loan documents contemplated thereby which are listed on **Schedule “A”**;
- (t) “**ATB Mortgage**” means a mortgage granted by JMB in favour of ATB against the JMB Real Property substantially in the form attached as **Schedule “F”**;
- (u) “**Bonnyville Premises**” is defined in the Purchase Agreement;
- (v) “**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the Provinces of Alberta, and also excluding any day on which the principal chartered banks located in the City of Calgary are not open for business during normal banking hours;
- (w) “**CCAA**” means the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended;
- (x) “**Closing**” means the completion of the Transactions;
- (y) “**Closing Date**” means the date on which the Closing occurs;
- (z) “**Communication**” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party;
- (aa) “**Control**” means, with respect to any corporate entity, the ownership at the relevant time of securities carrying more than 50% of the exercisable voting rights attached to all outstanding securities of that entity, other than by way of security only, if the votes carried by those securities are sufficient to elect a majority of that entity’s board of directors or otherwise provide for effective control of that entity, and “**Controlled by**” and similar words have corresponding meanings;
- (bb) “**Cooperation Agreement**” is the litigation cooperation agreement dated ●, 2021 between the Mantle Parties, ATB and Fiera;
- (cc) “**Court**” is defined in Context paragraph C;
- (dd) “**Disposition**” means a disposition of land of the Crown in right of Alberta under the *Public Lands Act*, RSA 2000, Ch. P-40.
- (ee) “**Event of Default**” means the occurrence of any one of the following events:
 - (i) a Mantle Party defaults in the payment of any Principal Payment when such Principal Payment is due and payable and such default continues for a period of five (5) Business Days;
 - (ii) a Mantle Party defaults in observing or performing any of its obligations under this Agreement, other than a payment default, and such default continues for a period of twenty (20) days;

- (iii) the institution by a Mantle Party of proceedings to be adjudicated a bankrupt or insolvent or the consent by it to the institution of bankruptcy or insolvency proceedings against it or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or provincial law relating to bankruptcy, insolvency, reorganization or relief of debtors, or the consent by it to the filing of any such petition or to the appointment under any such law of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of Mantle or of substantially all of its property, or the making by it of a general assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due;
- (iv) the entry of a decree or order by a court having jurisdiction adjudging a Mantle Party bankrupt or insolvent or approving as properly filed a petition seeking reorganization, arrangement or adjustment of or in respect of such Mantle Party under any applicable federal or provincial law relating to bankruptcy, insolvency, reorganization or relief of debtors, or appointing under any such law a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Mantle Party or of substantially all of its property, or ordering pursuant to any such law the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) days; or
- (v) any Person holding a Security Interest in the Tranche B Inventory or the JMB Real Property enforces such Security Interest and such enforcement remains unstayed and in effect for a period of thirty (30) days;
- (ff) “**Fiera**” means 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;
- (gg) “**Gagne Real Property**” means the lands and premises legally described as all that portion of the South West Quarter of Section Eleven (11), Township Fifty Seven (57), Range Six (6), West of the Fourth Meridian, lying to the west of the westerly limit of land required for railway purposes, as shown on Plan 7521297 and south of the south limit of Road Plan 3445BM, containing 7.17 hectares (17.72 acres) more or less excepting thereout all mines and minerals and the right to work the same;
- (hh) “**Governmental Authority**” means (i) 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 (ii) 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;
- (ii) “**Gravel**” means Tranche B Inventory classified on **Schedule “C”** as Armour Rock, Des 4 Class 20, Des 6 Class 80, 40mm rock, Des 2 Class 20, Des 2 Class 40, Des 2 Class 25, 14mm Pea Gravel, Natural Washed Weeping Tile, Des 4 Class 40 or Des 3 Class 12.5C;

- (jj) “**Initial Order**” is defined in Context paragraph C;
- (kk) “**Inventory Component**” is defined in Section 2.1(a)(ii);
- (ll) “**JMB**” is defined in the introductory paragraph of this Agreement;
- (mm) “**216 Caveat**” mean a caveat registered by ATB against title to the Gagne Real Property, the particulars of which are set out on **Schedule “A”**;
- (nn) “**JMB GSA**” means the security agreement dated May 31, 2017 by JMB in favour of ATB, the particulars of which are set out on **Schedule “A”**;
- (oo) “**JMB Real Property**” means the lands and premises owned by JMB containing 64.7 hectares (160 acres) more or less, and legally described as NE ¼ of 35-56-6-W4M;
- (pp) “**Lands**” means (i) the lands and premises referred to in **Schedule “C”**, insofar as rights pertaining to those lands and premises are granted pursuant to the Aggregate Pit Agreements, (ii) all plants, buildings, structures, erections, improvements, fixtures and appurtenances situated on or forming part of the Bonnyville Premises, (iii) the JMB Real Property, (iv) the Gagne Real Property, and (v) any other lands and premises where Tranche B Inventory is located;
- (qq) “**Mantle**” is defined in the introductory paragraph of this Agreement;
- (rr) “**Mantle Party**” and “**Mantle Parties**” are defined in the introductory paragraph of this Agreement;
- (ss) “**Non-Recourse Event**” is defined in Section 2.1(f);
- (tt) “**Parties**” means the Mantle Parties and ATB, collectively, and “**Party**” means any one of them;
- (uu) “**Permitted Encumbrances**” means the “Permitted Encumbrances” listed on Schedule F to the Purchase Agreement, together with the caveats registered against title to the JMB Real Property and the Gagne Real Property and permitted encumbrances referred to in the ATB Mortgage;
- (vv) “**Person**” will be broadly interpreted and includes (i) a natural person, whether acting in their own capacity, or in their 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;
- (ww) “**Purchase Agreement**” is defined in Context paragraph D;
- (xx) “**Principal Payment(s)**” is defined in Section 3.1(d);

- (yy) “**Proceeds**” has the meaning given to the term “proceeds” in Applicable Laws providing for the creation of Security Interests in personal property, including the *Personal Property Security Act*, RSA 2000, Ch P-7, as amended;
- (zz) “**Proxy**” is defined in the Amended Plan;
- (aaa) “**Realty Component**” is defined in Section 2.1(a)(i);
- (bbb) “**Remaining ATB Debt**” means the ATB Indebtedness in excess of the ATB Assumed Debt;
- (ccc) “**ResidualCo**” means 2324159 Alberta Inc.;
- (ddd) “**Royalty Agreement**” means a royalty agreement between a Third Party and JMB under which the Third Party granted to JMB, in exchange for payment of a royalty, the right to explore and prospect for, test, extract, process and dispose of Aggregates contained in and under such Lands subject to such agreement, to have access and use of such Lands and bring equipment and machinery onto such Lands for such purposes, and to place and pile upon such Lands excavated or processed Aggregates and other materials;
- (eee) “**Sand**” means Tranche B Inventory classified on **Schedule “C”** as Des 5 Class 10A, 10mm Natural Fines, Des 5 Class 10A, FA1 Unwashed screened, 8 mm screened winter sand, FA1 Washed screened or FA1 Concrete Course;
- (fff) “**Security Interest**” means any mortgage, charge or other security interest in any real or personal property;
- (ggg) “**Surface Material Lease**” means a Disposition in the form of a surface material lease granted by the Crown in right of the Province of Alberta in favour of JMB or 216 granting JMB or 216 rights to enter the Lands identified therein for the purpose of the extraction of Aggregate from in or under such Lands and carrying out construction, operation, use and reclamation in respect thereof, together with the associated conservation reclamation business plan associated with such Lands;
- (hhh) “**Third Party**” means any Person other than a JMB Party;
- (iii) “**Tranche A Inventory**” means the inventory of extracted Aggregate consisting of approximately (i) 5,300 tonnes of Des 6 Class 80 located on the Lands subject to SML110025, (ii) 4,000 tonnes of Des 2 Class 25 located on the Lands subject to SML110025, and (iii) 4,000 tonnes of Des 2 Class 25 located on the Lands subject to SML110026;
- (jjj) “**Tranche B Inventory**” means the Inventory listed on Schedule “C” which is located on (i) the Lands subject to the Havener Royalty Agreement, the Shankowski Royalty Agreement, (ii) the Dispositions identified as SML 110045, SML 110047 and SML 120005, and (iii) the Bonnyville Lands, but for greater certainty does not include any of the Aggregate Reserves or any of the Tranche A Inventory;
- (kkk) “**Transactions**” means the transactions contemplated by the Purchase Agreement and Amended Plan;

- (III) **“Transaction Assets”** means all of the undertaking, property and assets of the JMB Parties acquired by Mantle or retained by JMB and 216 pursuant to the Purchase Agreement.

1.2 **Certain Rules of Interpretation**

- (a) In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words “including” or “includes” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.
- (b) The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) References in this Agreement to an Article, Section or Schedule are to be construed as references to an Article, Section or Schedule of or to this Agreement unless otherwise specified.
- (d) References to an amount of money in this Agreement will, unless otherwise expressly stated, be references to the currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debts.

1.3 **Governing Law**

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.4 **Entire Agreement**

This Agreement, and any other agreements and documents to be delivered under this Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties, express or implied, in connection with the subject matter of this Agreement except as specifically set out in this Agreement. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement.

1.5 **Schedules**

The following is a list of Schedules:

Schedule	Subject Matter
Schedule “A”	ATB Loan Documents
Schedule “B”	Aggregate Pit Agreements
Schedule “C”	Tranche B Inventory

Schedule	Subject Matter
Schedule "D"	Form of ATB Mortgage

**ARTICLE 2
ASSUMPTION UNDER PLAN**

2.1 Deemed Assumption under the Amended Plan

Effective on Closing, ATB and the Mantle Parties agree as follows:

- (a) In accordance with the terms and provisions of the Plan, Mantle shall be deemed to have assumed and become liable for, and JMB and 216 shall be deemed to continue to be liable for, that portion of the ATB Indebtedness (such portion being the "**ATB Assumed Debt**") consisting of the following:
 - (i) the realty component pursuant to the ATB Mortgage equal to the principal amount of \$111,000 plus interest and costs as provided for in the ATB Mortgage, in respect of the JMB Real Property and the Gagne Real Property (the "**Realty Component**"); plus
 - (ii) the Tranche B Inventory component (the "**Inventory Component**") equal to the lesser of:
 - (A) the aggregate of the estimated Principal Payments set out in the column on **Schedule "C"** labelled "Estimated Principal Payments"; and
 - (B) the aggregate of the actual Principal Payments calculated in accordance with Section 3.1(d).
- (b) The ATB Assumed Debt and the rights and obligations of ATB and the Mantle Parties in respect thereof shall be governed by the terms and provisions ATB Loan Documents, as amended by this Agreement, and the ATB Mortgage.
- (c) The transfer to and vesting in ResidualCo of the Remaining ATB Debt pursuant to the Amended RVO shall be without prejudice to the continuing liability of JMB and 216 for the Remaining ATB Debt in accordance with the Amended Plan.
- (d) The Security Interests created by the ATB Security Documents shall severally attach to and charge:
 - (i) the 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, 216 or Mantle; and
 - (ii) all of the property and assets of JMB and 216 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, 216 or Mantle; and

- (iii) the JMB Real Property and the Gagne Real Property pursuant to the ATB Mortgage.
- (e) The Amended RVO 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 Amended RVO becoming effective and the Closing being completed.
- (f) In the event that following Closing, JMB and Mantle amalgamate, effective immediately prior to such amalgamation becoming effective:
 - (i) ATB shall cease to have recourse against JMB or 216 for the Remaining ATB Debt, but without prejudice to the continuing liability of ResidualCo for the Remaining ATB Debt;
 - (ii) 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, 216 or Mantle, but without prejudice to the attachment of Security Interests created by the ATB Security Documents to the Tranche B Inventory and their Proceeds, or by the ATB Mortgage to the JMB Real Property and Gagne Real Property, to secure the ATB Assumed Debt;(such amalgamation, and the termination of recourse against JMB and 216, being the “**Non-Recourse Event**”). Any costs incurred by ATB in connection with the discharge of the Security Interests created by the ATB GSAs as against JMB and 216 shall be at the expense of Mantle.
- (g) Any material amendment to the Amended Plan shall require the prior written consent of ATB, provided that if such amendment does not negatively affect ATB rights or interest under this Agreement or the ATB Loan Documents, such consent shall not be unreasonably withheld.
- (h) The Mantle Parties agree that as of the date of this Agreement there is no set-off, counter-claim, damages or other defence on any basis whatsoever in respect of the ATB Assumed Debt.
- (i) For greater certainty, Mantle does not assume and shall have no obligation to pay, observe, perform or fulfill, and shall not be bound by, the Remaining ATB Debt.

2.2 **Consent of JMB and 216**

JMB and 216 consent to this Agreement and acknowledge and agree that notwithstanding Closing, Mantle’s assumption of the ATB Assumed Debt under and pursuant to the Amended Plan and this Agreement, and the amendments to the ATB Loan Agreement provided for in Section 3.4, the ATB Loan Documents remains valid and enforceable, in full force and effect and unamended as against JMB and 216, the Security Interests created by the ATB GSAs remain valid and perfected and continue to secure the payment and performance by JMB and 216 of the ATB Loan Documents and the Remaining ATB Debt, and the Remaining ATB Debt remains outstanding and unpaid.

2.3 **Support of the Plan**

The Mantle Parties acknowledge the receipt of the Proxy duly executed by ATB. ATB shall not revoke the Proxy unless the Closing does not occur by April 30, 2021 or such later date as the Parties agree to.

2.4 **Mutual Conditions Precedent**

The obligations of the Parties under this Agreement (other than in Section 2.3) shall be subject to the satisfaction or waiver of the following conditions, which are for the mutual benefit of the Parties, and can only be waived, in whole or in part, by agreement in writing of the Parties:

- (a) this Agreement shall have been fully executed by each of the Parties;
- (b) there shall have been no appeal of or application to set aside, vary or amend the Amended SAVO, the Amended RVO or the Amended Sanction Order by any Third Party, or any such appeal or application shall have been dismissed or abandoned;
- (c) the conditions precedent set out in the Amended Plan and the Purchase Agreement shall be satisfied or waived in accordance therewith and the Closing shall have occurred;
- (d) the ATB Mortgage shall have created a first ranking charge and registered financial encumbrance and Security Interest against the JMB Real Property and the Gagne Real Property, subject to Permitted Encumbrances; and
- (e) ATB, the Mantle Parties and Fiera shall have executed and delivered a priority agreement in form and substance acceptable to such parties.

ARTICLE 3 TERMS GOVERNING THE ATB ASSUMED DEBT

3.1 **ATB Assumed Debt**

- (a) The Mantle Parties shall not sell, convey or use, for reclamation or otherwise, any Tranche B Inventory until the earlier of (i) May 31, 2021 or (ii) such time as ATB has obtained the results of a drone survey, from an independent third party retained by ATB.
- (b) a new third party assessment in relation to the quantum and quality of the Tranche B Inventory, and ATB agrees to use commercially reasonable efforts to complete such inspection on a timely basis.
- (c) The Inventory Component of the ATB Assumed Debt shall be non-interest bearing and shall be repayable by the Mantle Parties from the proceeds of sales to Third Parties of Tranche B Inventory.
- (d) The repayment of the Inventory Component of the ATB Assumed Debt shall be determined on the basis of the rates per tonne of Tranche B Inventory sold by the Mantle Parties with respect to the Tranche B Inventory based on the following:
 - (i) \$2 per tonne for Tranche B Inventory classified as Gravel; and
 - (ii) \$1 per tonne for Tranche B Inventory classified as Sand,

payable within ten (10) days following the end of each month on the basis of the proceeds of sales of Tranche B Inventory actually received by the applicable Mantle Party in such month (each such payment being a “**Principal Payment**”). The Principal Payments shall commence in the second month following the Closing Date and continue until all of the Tranche B Inventory has been sold by the Mantle Parties and the Principal Payments payable from the Proceeds of such Tranche B Inventory received by the applicable Mantle Parties have been paid in full.

- (e) The repayment of the Realty Component of the ATB Assumed Debt, and the consequences of failure to make payments of the Realty Component and otherwise perform the terms and provisions of the ATB Mortgage, shall be governed by the ATB Mortgage.
- (f) Upon the occurrence of an Event of Default, ATB may declare the Inventory Component of ATB Assumed Debt to be immediately due and payable by the Mantle Parties, whereupon ATB shall be entitled to exercise any rights or remedies it has under the ATB GSAs against the Tranche B Inventory and any Proceeds thereof, and under the ATB Mortgage against the JMB Real Property. For greater certainty, the recourse of ATB against the Mantle Parties under the ATB Loan Documents shall be limited to the Tranche B Inventory, the Proceeds thereof, and the JMB Real Property.
- (g) Upon sale by the Mantle Parties of all of the Tranche B Inventory and payment of the Principal Payments to ATB from the Proceeds thereof, the Mantle Parties shall have no further indebtedness, liabilities or obligations to ATB under the Inventory Component of the ATB Assumed Debt, and the Security Interest created by the ATB GSAs in the Tranche B Inventory shall be discharged as against the Mantle Parties.

3.2 Reporting

During the period between the Closing Date and payment of the final Principal Payment from the proceeds of sale of the Tranche B Inventory, the Mantle Parties shall:

- (a) within thirty (30) days of the end of each month, deliver to ATB a report setting out the sales by the Mantle Parties of Tranche B Inventory in such month, broken down into the categories of Gravel and Sand identified on **Schedule “C”**, and identifying the Aggregate Pit from which such Tranche B Inventory came, and including a calculation of the Principal Payment for such month, which report shall be in form and substance satisfactory to ATB, acting reasonably;
- (b) within one hundred and twenty (120) days of the end of each fiscal year of the Mantle Parties, deliver to ATB audited financial statements of the Mantle Parties prepared on a consolidated basis;
- (c) within thirty (30) days of the end of each month, deliver to ATB unaudited internally prepared, monthly financial statements of the Mantle Parties prepared on a consolidated basis; and
- (d) upon reasonable notice by ATB to the Mantle Parties, permit ATB and its representatives and agent to enter at all reasonable times into and upon the Lands and inspect and confirm the nature, state, condition, quality and quantity of the Tranche B Inventory.

3.3

Security

- (a) The Inventory Component of the ATB Assumed Debt shall be secured by the Security Interests created by the ATB GSAs, provided that such Security Interest shall only attach to the Tranche B Inventory and the Proceeds thereof, and shall not attach to any Transaction Assets other than the Tranche B Inventory and the Proceeds thereof.
- (b) The Mantle Parties hereby acknowledge that the ATB Indebtedness, ATB Loan Agreement, ATB Loan Documents and ATB GSAs are valid and enforceable in accordance with their terms, as amended by this Agreement.
- (c) As between the Mantle Parties and ATB, the ATB GSAs are amended as follows:
 - (i) all references in the ATB GSAs to “Collateral” mean the Tranche B Inventory and the Proceeds thereof;
 - (ii) the reference in section 2(a) in the ATB GSAs to “Indebtedness” means the ATB Assumed Debt;
 - (iii) subsections 5(b) and (c) in the ATB GSAs are deleted;
 - (iv) subsections 6(g), (k) and (l) in the ATB GSAs are deleted;
 - (v) section 7 is replaced by 3.1(f) in the ATB GSAs;
 - (vi) sections 9, 10, 15 in the ATB GSAs is deleted;
 - (vii) section 3 of Schedule A of the ATB GSAs is revised such that the only location of personal property Collateral is the Province of Alberta; and
 - (viii) section 4 of Schedule A of the ATB GSAs is amended such that Permitted Encumbrances are defined in Section 1.1(uu).
- (d) The Realty Component of the ATB Assumed Debt shall be secured against the JMB Real Property by the Security Interest created by the ATB Mortgage and by the ATB GSAs.
- (e) The Mantle Parties hereby acknowledges that (i) the ATB Mortgage is valid and enforceable in accordance with its terms, (ii) the ATB Mortgage shall be registered by ATB against title to the JMB Real Property, and (iii) the ATB Mortgage shall create and be a first ranking registered financial encumbrance and Security Interest against the JMB Real Property, subject only to Permitted Encumbrances.

3.4

ATB Loan Agreement

- (a) The obligations of the Mantle Parties under the ATB Loan Agreement and the ATB Loan Documents shall be joint and several with respect to, and shall only relate only to the ATB Assumed Debt. Without in any way amending the ATB Loan Documents as between ResidualCo and ATB, effective on Closing the ATB Loan Agreement shall be amended, as between the Mantle Parties and ATB, as follows:
 - (i) sections 1 and 2 of the ATB Loan Agreement are amended and replaced by Section 3.1;

- (ii) section 3 of the ATB Loan Agreement is amended and replaced by Section 3.3;
 - (iii) the conditions precedent in section 4 of the ATB Loan Agreement and condition subsequent in section 5 of the ATB Loan Agreement do not apply to the ATB Assumed Debt or to the Mantle Parties;
 - (iv) the positive and negative covenants in sections 6 and 7 of the ATB Loan Agreement apply to the Mantle Parties only in so far as they relate to the ATB Assumed Debt, references to the property and assets of a Loan Party shall relate only to the Tranche B Inventory, and subsections 6(b), (c), (g), (k)(iv), (k)(v), (l), (m), (p) and (q) and 7(b), (c), (d), (e), (f), (g), (h), (j), (k), (m), (n), (o), (p), (r) and (s) are deleted;
 - (v) the reporting covenants in section 8 of the ATB Loan Agreement are amended and replaced by Section 3.2;
 - (vi) section 9 of the ATB Loan Agreement is deleted;
 - (vii) the representations and warranties in subsections 10(a), (c) and (d) of the ATB Loan Agreement are amended to apply to the Mantle Parties, except that Mantle is a corporation incorporated under the laws of British Columbia, the reference therein to the Loan Documents amended to be a reference to this Agreement, subsections 10(e) to (i), (k) and (l) are deleted, and the representations and warranties in section 10, as amended hereby, are deemed to be repeated upon Closing;
 - (viii) sections 11, 12 and 13 of the ATB Loan Agreement are deleted;
 - (ix) subsections 14(e), (g), (i) and (j) of the ATB Loan Agreement are deleted;
 - (x) section 15 of the ATB Loan Agreement is deleted;
 - (xi) section 16 of the ATB Loan Agreement is amended to delete the definitions of Accounts Receivable, Borrowing Base, Borrowing Base Certificate, Borrowings, Canadian A/R, Change of Control, Commodity Swap, Compliance Certificate, Contra Accounts Payable, Currency Swap, Current Assets, Current Liabilities, Current Ratio, EBITDA, Eligible A/R, Eligible Inventory, Equity, Equivalent Amount, Fixed Charge Coverage Ratio, Fixed Charges, Funded Debt, Holdback A/R, Indebtedness, Ineligible A/R, Ineligible Inventory, Insured A/R, Interest Expense, Inventory, Investment Grade A/R, Letter of Credit, Liable Payables, Long Term Debt, Material Adverse Change, Material Adverse Effect, Net Senior Funded Debt to EBITDA, Prime, Related Company A/R, Related Parties, Subordinated Debt, Subsidiary, Swap and Unfunded Capital Expenditures; and
 - (xii) Schedules "A" and "B" to the ATB Loan Agreement are deleted.
- (b) To the extent that any provisions of the ATB Loan Documents are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall govern.

3.5 **Sale of the JMB Real Property and Gagne Real Property**

- (a) ATB and the Mantle Parties, each acting reasonably, shall consult with respect to any reclamation or remediation obligations to be performed in respect of the Gagne Real Property, the manner in which the Gagne Real Property is to be marketed and sold, the selection of the broker, the determination of the commission and the list price in any listing agreement, and the acceptance or rejection of any offers submitted to purchase the Gagne Real Property.
- (b) In the event that the Gagne Real Property is sold or otherwise disposed of before the JMB Real Property, ATB shall discharge the ATB Mortgage against title to the Gagne Real Property upon being paid ten (10) percent of the then outstanding balance of the Realty Component (inclusive of interest, costs and expenses in accordance with the terms of the ATB Mortgage) of the ATB Assumed Debt.
- (c) In the event that the JMB Real Property is sold or otherwise disposed of before the Gagne Real Property, ATB shall discharge the ATB Mortgage against title to the JMB Real Property upon being paid ninety (90) percent of the then outstanding balance of the Realty Component (inclusive of interest, costs and expenses in accordance with the terms of the ATB Mortgage) of the ATB Assumed Debt.
- (d) Upon the occurrence of either of the events referenced in Sections 3.5(b) or 3.5(c), upon the sale or disposal of the remaining parcel of the Lands, ATB shall discharge the ATB Mortgage against the remaining parcel of the Lands upon the balance of the Realty Component of the ATB Assumed debt being paid in full (inclusive of interest, costs and expenses in accordance with the terms of the ATB Mortgage).

ARTICLE 4 GENERAL

4.1 **Time of Essence**

Time is of the essence in all respects of this Agreement.

4.2 **Notices**

Any Communication must be in writing and either delivered personally or by courier, sent by prepaid registered mail or transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid. Any Communication must be sent to the intended recipient at its address as follows:

- (a) to the Mantle Parties at:

JMB Crushing Systems Inc. and 2161889 Alberta Ltd.
PO Box 6977

Bonnyville, AB T9N 2H4

Attention: Blake M. Elyea, CPA, CGA, CIRP, LIT, Chief Restructuring Advisor

E-mail: blakeelyea@jmbcrush.com

Mantle Materials Group, Ltd.

1400 16th St, Suite 320

Denver, CO 80209

Attention: Byron Levkulich, Director
E-mail: byron.levkulich@rholdings.com

with a copy to:

Gowling WLG (Canada) LLP
Suite 1600, 421 - 7th Avenue SW
Calgary AB T2P 4K9
Attention: Tom Cumming
E-mail: tom.cumming@gowlingwlg.com

(b) to ATB at:

ATB Financial
Suite 2500, 10020 - 100 Street
Edmonton Alberta T5J 0N3
Attention: Ian Mark Philip, Director, Turnaround and Restructuring Group
E-mail: iphilip@atb.com

with a copy to:

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB T5J 0K4
Attention: Tom Gusa
E-mail: tom.gusa@dentons.com

or at any other address as any Party may at any time advise the other by Communication given or made in accordance with this Section 4.2. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth (5th) Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by e-mail or functionally equivalent electronic means of transmission. Any Communication transmitted by e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 4:00 pm (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

4.3 Severability

Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part or the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

4.4 Submission to Jurisdiction

Without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably and unconditionally submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity, arising from this Agreement. To the extent permitted by Applicable Law, each of the Parties irrevocably waives any objection, including any claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province, or that the subject matter of this Agreement may not be enforced in those courts; and irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 4.4, of the substantive merits of any suit, action or proceeding.

4.5 Amendment and Waiver

No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by the Party to be bound. No waiver of, failure to exercise, or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

4.6 Further Assurances

Each Party will, at the cost and expense of Mantle, execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the requesting Party to give effect to this Agreement and, without limiting the generality of this Section 4.6, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required at any time by all Governmental Authorities having jurisdiction over the affairs of a Party or as may be required at any time under Applicable Law.

4.7 Assignment and Enurement

Neither this Agreement nor any right or obligation under this Agreement may be assigned by the JMB Party or Purchaser, other than in the case of Mantle, to an Affiliate of Mantle that assumes the obligations of Mantle under this Agreement. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

4.8 Conduct of Parties

All requests, consents, approvals, opinions and decisions given or made by either Party as permitted by this Agreement and any other agreement or agreements and other documents to be delivered under this Agreement must be reasonable, not be unreasonably withheld or delayed, not be subject to unreasonable conditions or qualifications, be based on good and sound business judgment, and be consistent with the terms of this Agreement. Whenever a Section of this Agreement or a Schedule or an Exhibit requires a consent or approval by a Party and notification of the consent or approval is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required will be conclusively deemed to have withheld its consent or approval.

4.9 **Costs and Expenses**

Except as otherwise specified in this Agreement, all costs and expenses (including the fees and disbursements of accountants, financial advisors, lawyers and other professional advisers) incurred in connection with this Agreement, the obligations under this Agreement and the completion of the transactions contemplated by this Agreement, are to be paid by the Party incurring those costs and expenses. If there is a breach of this Agreement or this Agreement is terminated, the obligation of each Party to pay its own costs and expenses is subject to that Party's respective rights arising from a breach or termination.

4.10 **Remedies Cumulative**

The rights, powers and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights, powers and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right, power or remedy precludes or otherwise affects the exercise of any other right, power or remedy to which that Party may be entitled.

4.11 **No *Contra Proferentem***

This Agreement has been prepared on behalf of Parties and their respective professional advisors, and revised during the course of negotiations between the Parties. Each Party acknowledges that this Agreement is the product of their joint efforts, that it expresses their agreement, and that, if there is any ambiguity in any of its provisions, no rule of interpretation favouring one Party over another based on authorship will apply.

4.12 **Language**

The Parties have expressly required that this Agreement, any Communication and all other contracts, documents and notices relating to this Agreement be drafted in the English language. Les parties ont expressément exigé que la présente convention, la communication et tous les autres contrats, documents et avis qui y sont afférents soient rédigés dans la langue anglaise.

4.13 **Confidentiality**

The Parties acknowledge and agree that the information contained in the column titled "A – Volume (tonnes)" on the table in **Schedule "C"** is confidential, was obtained by Allnorth Consultants Limited pursuant to its engagement by Gowling WLG (Canada) LLP in contemplation of litigation, and shall be subject to and used only in accordance with the Cooperation Agreement.

4.14 **Counterparts**

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

SIGNATURE PAGE FOLLOWS

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of this Agreement.

JMB Crushing Systems Inc.

By:

Byron Levkulich

Name: Byron Levkulich

Title: Director

2161889 Alberta Ltd.

By:

Name:

Title:

Mantle Materials Group, Ltd.

By:

Byron Levkulich

Name: Byron Levkulich

Title: Director

ATB Financial

By:

Name:

Title:

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of this Agreement.

JMB Crushing Systems Inc.

By:

Name:

Title:

Mantle Materials Group, Ltd.

By:

Name:

Title:

ATB Financial

By:

Name:

Title:

2161889 Alberta Ltd.

By:

Blake M. Elyea

Name: Blake Elyea

Title: Chief Restructuring Advisor

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of this Agreement.

JMB Crushing Systems Inc.

By: _____

Name:

Title:

2161889 Alberta Ltd.

By: _____

Name:

Title:

Mantle Materials Group, Ltd.

By: _____

Name:

Title:

ATB Financial

By: _____

DocuSigned by:

Trina Holland

Name: ~~Trina Holland~~

1D1BB4A136D1476J

Title: Managing Director

By: _____

DocuSigned by:

Claudia Yu

Name: ~~Claudia Yu~~

0B11275CF59646A...

Title: Associate Director, TRG

SCHEDULE "A"
LOAN DOCUMENTS

1. ATB Loan Agreement, as amended by amending agreements dated January 29, 2020, April 1, 2020, April 17, 2020 and April 30, 2020.
2. General Security Agreement dated May 31, 2017 by JMB in favour of ATB granting a Security Interest in all present and after acquired real and personal property of JMB which was registered at the Alberta Personal Property Registry on May 5, 2017 as 17050508652 and 17050508719 and registered as a caveat against the Gagne Real Property with the Land Titles Office on April 1, 2020 as Instrument No. 202 072 644.
3. General Security Agreement dated March 20, 2020 by 216 in favour of ATB granting a Security Interest in all present and after acquired real and personal property of 216 which was registered at the Alberta Personal Property Registry on April 6, 2020 as 17040638801 and 20031909111.

SCHEDULE "B"
AGGREGATE PIT AGREEMENTS

1. 216 Dispositions

- (a) Surface Material Lease No. 080085 in favour of 216 dated April 26, 2012 in respect of Aggregate Pit JLG 3 located within NW-12-63-19 W4M and SW-13-63-19 W4M.
- (b) Surface Material Lease No. 100085 in favour of 216 dated June 24, 2016 in respect of Aggregate Pit JLG 4 located within NE-12-63-19 W4M and NW-12-63-19 W4M.
- (c) Surface Material Lease No. 110025 in favour of 216 dated February 11, 2014 in respect of Aggregate Pit JLG 5 located within NE-11-61-18 W4M.
- (d) Surface Material Lease No. 110026 in favour of 216 dated April 11, 2012 in respect of Aggregate Pit JLG 6 located within SE-11-61-18 W4M.
- (e) Surface Material Lease No. 110045 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 7 located within SE-15-61-18 W4M and NE-15-61-18 W4M.
- (f) Surface Material Lease No. 110046 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 8 located within NE-15-61-18 W4M and NW-15-61-18 W4M.
- (g) Surface Material Lease No. 120006 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 11 located within NW-14-61-18 W4M.
- (h) Surface Material Lease No. 120100 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 12 located within SE-21-61-18 W4M.
- (i) Surface Material Lease No. 110047 in favour of 216 located within SE-15-61-18 W4M, SW-15-61-18 W4M, and NW-15-61-18 W4M.
- (j) Surface Material Lease No. 120005 in favour of 216 located within SW-14-61-18 W4M and NW-14-61-18 W4M.
- (k) Surface Material Lease No. 060060 in favour of 216 located within SW-13-65-18-W4M.
- (l) Department Licence of Occupation 170011 in favour of 216 located within SE-13-65-18-W4M and SW-13-65-18-W4M.

2. JMB Dispositions

- (a) Surface Material Lease No. 120027 in favour of JMB located within SW-30-63-08-W4M.
- (b) Surface Material Lease No. 930040 in favour of JMB located within SE-23-61-07-W4M.
- (c) Surface Material Lease 980116 in favour of JMB located within SW-21-63-12-W4M.
- (d) Department Miscellaneous Lease 120032 in favour of JMB located within NW-20-74-8-W4M.

- (e) Surface Materials Exploration 150106 in favour of JMB located within SW-26-75-11-W4M, SE-34-75-11-W4M, NW-23-75-11-W4M, NE-27-75-11-W4M, SW-35-75-11-W4M, and NW-26-75-11-W4M.
- (f) Surface Materials Exploration 200009 in favour of JMB located within NE-30-81-6-W4M, NE-31-81-6-W4M, SE-31-81-6-W4M, and SW-31-81-6-W4M.

3. **JMB Active Royalty Agreements**

- (a) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge Canada Inc. ("**Lafarge**") in respect of the Aggregate Pit referred to as Moose River for which Lafarge has a surface material lease identified as SML 100043 located at SW-35-61-7-W4M and having 18.46 acres.
- (b) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge in respect of the Aggregate Pit referred to as Oberg for which Lafarge had registration number 15215-01-01 located on lands described as SE-5-62-7-W4 and having 159.88 acres.
- (c) Royalty Agreement made as of October 29, 2018 between JMB and Jerry Shankowski (945441 Alberta Ltd.) in respect of an Aggregate Pit located at SW 21-56-7-W4.
- (d) Royalty Agreement made as of November 8, 2018 between Helen Havener, Gail Havener and JMB in respect of the Aggregate Pit located at NW 16-56-7-W4M.
- (e) Royalty Agreement made as of February 26, 2020 between Darren Andrychuk and Daphne Andrychuk and JMB in respect of the Aggregate Pit located at SW 15-57-14-W4.

4. **JMB Inactive Royalty Agreements**

- (a) Royalty Agreement made as of December 31, 2018 between JMB and 302016 Alberta Limited, care of Rose Short, in respect of the Aggregate Pit located at NE-24-56-7-W4.
- (b) Royalty Agreement made as of January 7, 2020 between Ron and Rita Kucy, Ron and Vonda Hoye, and JMB in respect of an Aggregate Pit located at LSD 1-19-63-9-W4.
- (c) Royalty Agreement made as of October 27, 2019 between Allan K MacDonald and JMB in respect of an Aggregate Pit located at SW 34-56-7-W4.
- (d) Royalty Agreement made as of September 30, 2018 between Doug Megley and JMB in respect of an Aggregate Pit located at SE-35-58-16-W4M.
- (e) Royalty Agreement made as of April 30, 2018 between Colleen Penner/Estate of Ed Okane and JMB in respect of an Aggregate Pit located at NE 10-57-6-W4 and NE 10-57-6-W4.

SCHEDULE "C" ACQUIRED TRANCHE B INVENTORY

Category	1 - Sand
	2 - GBC (Granular Base Course)
	4 - Traffic
	5 - Rock/other
	6 - Granular fill ⁶ - Granular fill

Location	Product	Category	A – Volume (tonnes) ¹
Buksa Pit Elk Point	Des 5 Class 10A	1	7,921
Buksa Pit Elk Point	Armour Rock	5	2,719
Havener Pit Elk Point	10mm Natural Fines	5	73,211
Havener Pit Elk Point	Des 5 Class 10A	1	0
Havener Pit Elk Point	Des 4 Class 20	4	1,400
Havener Pit Elk Point	Armour Rock	5	1,008
Hoye/Kucy Pit	Des 4 Class 40	4	1,500
JMB Pit NW 35-56-6 W4M	Armour Rock	5	7,241
JMB Yard NW 20-61-5 W4M	Des 6 Class 80	6	1,000
JMB Yard NW 20-61-5 W4M	40mm rock	5	74
JMB Yard NW 20-61-5 W4M	Des 2 Class 20	2	4,664
JMB Yard NW 20-61-5 W4M	Des 2 Class 40	2	1,889
JMB Yard NW 20-61-5 W4M	Des 4 Class 20	4	1,772
JMB Yard NW 20-61-5 W4M	Des 2 Class 25	2	4,265
MacDonald Pit	Des 4 Class 20	4	8,500
MacDonald Pit	10mm Natural Fines	5	3,000
MacDonald Pit	12.5mm ACP material	5	4,492
MacDonald Pit	Des 5 Class 10A	1	20,000
MacDonald Pit	Armour Rock	5	6,000
MacDonald Pit	Des 2 Class 20	2	1,000
Megley Pit	10mm ACP material	5	1,390
Megley Pit	12.5mm ACP material	5	1,000
Megley Pit	Des 4 Class 20	4	1,000
Megley Pit	Des 5 Class 10A	1	214,904
O’Kane Pit	Des 5 Class 10A	1	85,684
Shankowski Pit Elk Point	14mm Pea Gravel	5	4,415
Shankowski Pit Elk Point	Des 5 Class 10A	1	257,904
SML110045 JLG 7 - Smokey Lake	FA1 Unwashed screened	1	57,968
SML110045 JLG 7 - Smokey Lake	8mm screened winter sand	1	75,000
SML110045 JLG 7 - Smokey Lake	FA1 Washed screened	1	500
SML110045 JLG 7 - Smokey Lake	FA1 Concrete Course	1	500
SML110045 JLG 7 - Smokey Lake	Natural Washed Weeping Tile	2	200
SML110047 JLG 9 - Smokey Lake	Des 5 Class 10A	1	77,324
SML120005 JLG 10 - Smokey Lake	Des 4 Class 40	4	10,756
SML120005 JLG 10 - Smokey Lake	Des 5 Class 10A	1	1,026,524
SML120005 JLG 10 - Smokey Lake	Des 4 Class 20	4	600
SML120005 JLG 10 - Smokey Lake	Des 2 Class 20	2	500
SML120005 JLG 10 - Smokey Lake	Des 3 Class 12.5C	5	300
Total			1,968,125

¹ The information in this column is based on: (a) a report prepared Allnorth Consultants Limited with respect to the Buksa Pit Elk Point, the Havener Pit Elk Point and the JMB Pit NW 35-56-6 W4M pursuant to an engagement by Gowling WLG (Canada) LLP, as counsel for CARC, in July of 2020, for the purposes of quantifying the extent of the over-statement of the inventory of JMB and 216 in their financial records, which report was prepared in contemplation of litigation and is subject to litigation privilege and common interest privilege; and (b) for all other Aggregate Pits, the inventory levels recorded in the books and records of JMB and 216, as adjusted pursuant to site visits to the Aggregate Pits by operational employees of JMB in and around June of 2020 under the direction of the Chief Restructuring Advisor of JMB and 216, which were performed to verify whether Aggregate referred to in the books and records appeared to be located at the Aggregate Pits.

SCHEDULE "D"
FORM OF ATB MORTGAGE

See the attached.

LAND TITLES ACT

MORTGAGE

JMB CRUSHING SYSTEMS INC. (the "**Mortgagor**") has become or may hereafter become indebted, obligated or liable to ATB Financial, of 2500, 10020 – 100 Street, Edmonton, AB T5J 0N3 (the "**Mortgagee**") in connection with its purchase of the Lands (as defined below) pursuant to a purchase agreement dated March 3, 2021 (the "**Purchase Agreement**") between the Mortgagor and 2161889 Alberta Ltd. ("**216**") as vendors and Mantle Materials Group, Ltd. ("**Mantle**") as purchaser, an agreement governing ATB assumed debt dated April 21, 2021 (as amended, amended and restated, modified, replaced or supplemented from time to time, the "**Assumption Agreement**") between the Mortgagor, 216, Mantle and the Mortgagee and the plan of arrangement of the Mortgagor, 216 and the Mortgagee under the *Companies' Creditors Arrangement Act* (Canada) and *Business Corporations Act* (British Columbia) (the "**Plan**"), pursuant to which on the completion of the purchase and sale transaction under the Purchase Agreement, the Mortgagor shall continue to be liable for that portion of the indebtedness owing by the Mortgagor to the Mortgagee equal to the principal sum of \$111,000.00, which assumption shall be on the terms set out in the Agreement and in this mortgage.

As security for the payment by the Mortgagor of any sums required to be paid from time to time to the Mortgagee and the performance of any covenants and obligations of the Mortgagor to the Mortgagee to be performed from time to time, the Mortgagor has agreed to execute and deliver this mortgage.

The Mortgagor, being or being entitled to become registered as owner of an estate in fee simple possession, subject however to such encumbrances, liens and interests as are described in Schedule "A" attached hereto, in those lands located in the Province of Alberta as described in Schedule "A" attached hereto (which, with the buildings and improvements located thereon, are collectively called the "**Lands**"), in consideration of the premises, COVENANTS with the Mortgagee as follows:

1. PAYMENT

The Mortgagor hereby acknowledges that the Mortgagor is or may become obligated to pay to the Mortgagee the Obligations (as hereinafter defined) from time to time in accordance with and in the manner agreed to between the Mortgagee and the Mortgagor.

"**Obligations**" means, collectively, all amounts owing to the Mortgagee by the Mortgagor from time to time, whether present or future, direct or indirect, absolute or contingent, matured or not, and however arising, and whether incurred or arising before, during or after the time that the Mortgagor is the owner of the Lands, including the Principal Sum, interest at the Interest Rate accrued thereon, and costs, under and pursuant to the Plan, the Assumption Agreement and this Mortgage.

The Mortgagor hereby promises to pay the Obligations to the Mortgagee as follows:

- (a) blended payments of interest and principal on the first (1st) day of each month the Obligations remain outstanding, commencing May 1, 2021, such blended payments to be based on a twenty (20) year amortization period and term of four (4) years commencing on the date hereof;
- (b) all of the outstanding Obligations on the Maturity Date, or, subject to the terms hereof, on demand of the Mortgagee; and
- (c) notwithstanding any other term or provision of this mortgage to the contrary, the rights, remedies and recourses of the Mortgagee under this mortgage shall be limited to the Lands and proceeds thereof, and in any action or proceeding to enforce its rights, remedies and recourses under and pursuant to this mortgage, any orders, judgments or other relief as against the Mortgagor shall be limited to the interest of the Mortgagor in the Lands.

2. SECURITY

The Mortgagor hereby encumbers, mortgages and charges the Lands with payment of the Obligations, up to: (a) the principal amount of One Hundred and Eleven Thousand (\$111,000.00) Dollars (the "**Principal Sum**"), plus (b) interest thereon, before and after maturity, default and judgment, until paid, computed at a floating rate equal to 2.0% per annum above the prime lending rate established by the Mortgagee from time to time for commercial loans made by it in Canada in Canadian dollars (the "**Interest Rate**"), calculated daily and payable monthly not in advance, with interest on overdue interest at the same rate, and (c) all further monies which may become payable pursuant to the terms of this mortgage.

This mortgage is given and taken as general and continuing security to secure payment and performance of the Obligations and this mortgage shall obtain priority for all Obligations notwithstanding that at any time or from time to time there may not be any Obligations then outstanding or the amount of the Obligations may fluctuate from time to time. The accounts and records of the Mortgagee shall, in the absence of manifest error, constitute *prima facie* evidence of the amount of Obligations outstanding and owing from time to time by the Mortgagor to the Mortgagee.

3. NO MERGER

The taking of a judgment or judgments under any of the covenants contained in this mortgage, in any agreement evidencing the Obligations, or in any other security for payment of the Obligations will not operate as a merger of such covenants or of the Mortgagee's security by way of a charge against the Lands or affect the Mortgagee's right to interest hereunder at the Interest Rate. It is distinctly understood and agreed that the Interest Rate will be payable on the amount of any judgment.

4. TAXES, CLAIMS AND COSTS

- (a) The Mortgagor will pay all taxes, rates, levies, assessments and impositions of the municipality or any other taxing authority which are now or may hereafter be levied, charged, assessed, imposed or payable against or in respect of the Lands, or any part thereof, or on this mortgage or on the Mortgagee in respect of this mortgage, when the same become due, and will provide the Mortgagee with the receipts therefor.
- (b) The Mortgagor will pay and discharge when due all claims of and obligations to labourers, builders, material suppliers and others and all other claims, debts and obligations which by the laws of Canada or of the Province of Alberta have or might have priority over the security hereby created, and will provide the Mortgagee with the receipts therefor.
- (c) If the Mortgagor fails to pay when due any of the items required to be paid by the Mortgagor pursuant to any provision of this mortgage, the Mortgagee may, but will not be obligated to, pay such items.

- (d) If the Mortgagor fails to repair as provided by this mortgage, the Mortgagee may, but will not be obligated to, at such time or times as it deems necessary and without the concurrence of any other person, make arrangements for maintaining, restoring, repairing, finishing, adding to, or putting in order the Lands, and for managing, improving, and taking care of them.
- (e) All solicitor's, inspector's, valuator's, surveyor's and other fees and expenses for drawing and registering this mortgage, for examining the Lands and the title thereto, and for making or maintaining this mortgage a first charge, or if approved by the Mortgagee, a subsequent charge, on the Lands, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting (including legal costs as between a solicitor and his own client on a full indemnity basis and also an allowance for the time, work and expenses of the Mortgagee or of any agent, solicitor or servant of the Mortgagee for any purpose herein provided), together with all sums which the Mortgagee from time to time advances, expends or incurs pursuant to any provision contained in this mortgage, whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise, are to be secured hereby and will be a charge on the Lands, together with interest thereon at the Interest Rate calculated from the date of advance or expenditure by the Mortgagee to the date of payment to the Mortgagee. All such monies will be payable to the Mortgagee on demand.

5. **INSURANCE**

- (a) The Mortgagor will immediately insure and keep insured during the continuance of this security the Lands to their full insurable value, with an insurer or insurers approved by the Mortgagee, against loss or damage by fire, lightning, explosion, smoke, impact by aircraft or land vehicle, riot, windstorm, hail and such other risks as the Mortgagee requires. The Mortgagor will also obtain such other insurance, of kinds and in amounts required by the Mortgagee (including but not limited to business interruption or rental loss insurance if appropriate). The Mortgagor will not do or permit anything which might impair, reduce or void such insurance.
- (b) The Mortgagor will deliver to the Mortgagee the policy or policies of insurance affecting the Lands with a mortgage clause attached, any loss thereunder to be payable to the Mortgagee.
- (c) The Mortgagor will pay all premiums and sums of money necessary to obtain and maintain such insurance as the same become due and, if requested by the Mortgagee, will immediately after payment deliver to the Mortgagee the receipts therefor. Evidence of the renewal of such insurance will, if requested by the Mortgagee, be provided to the Mortgagee at least seven business days before the insurance then existing expires; otherwise the Mortgagee may insure as herein provided.
- (d) If there is loss or damage from any of the risks insured against, the Mortgagor will furnish proof of loss at its own expense and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and in respect of any such insurance monies received by the Mortgagee the Mortgagee may at its option:
 - (i) apply the same in or towards substantially rebuilding, reinstating or repairing the Lands; or
 - (ii) apply the same in the manner set forth in paragraph 21(c) hereof; or
 - (iii) pay the same in whole or in part to the Mortgagor, but no such payment will operate as payment or a novation of the Mortgagor's indebtedness hereunder or as a reduction of this Mortgage; or
 - (iv) apply the same partly in one way and partly in another as the Mortgagee in its sole discretion determines.

To ensure that the Mortgagee may so apply such insurance monies in the manner aforesaid, the Mortgagor assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance monies and expressly waives all rights and benefits, to the extent that the same is permitted by law, pursuant to any legislation which provides for a contrary application of such insurance monies.

- (e) The Mortgagor hereby constitutes and appoints the Mortgagee as its attorney for the purpose of demanding, recovering and receiving payment of all insurance monies to which it may become entitled. Without limiting the generality of the foregoing, the Mortgagee may, in the name of the Mortgagor, file proofs of claim with any insurer who insures the Lands, settle or compromise any claim for insurance proceeds in respect of the Lands, commence and prosecute any action for recovery of insurance proceeds in respect of the Lands, and settle or compromise any such action. Notwithstanding the foregoing, it will remain the Mortgagor's responsibility to demand, recover and receive such payments and nothing herein will render the Mortgagee liable to the Mortgagor for any act done by it in pursuance of the power of attorney granted in this paragraph 5(e) or for its failure to do any act or take any step permitted herein.
- (f) Pending application of any insurance monies by the Mortgagee, the same will be deemed to form part of the Lands and be subject to the charge hereby created.
- (g) If the Mortgagor neglects to keep the Lands or any part of them insured as aforesaid or to pay the said premiums and sums of money necessary for such purpose or to deliver the policy or policies or receipts as aforesaid then the Mortgagee will be entitled, but will not be obliged, to insure the Lands in the manner aforesaid.

6. **IMPROVEMENTS TO BE FIXTURES**

All improvements, fixed or otherwise, now on or hereafter put on the Lands (including but not limited to all buildings, mobile homes, machinery, plant, fences, furnaces, boilers, water heaters, heating, plumbing, air conditioning, cooking, refrigerating, ventilating, lighting and water-heating equipment, window blinds, storm windows, storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto, whether movable or stationary, with the proper, usual and necessary gears, construction and appliances) are and will, in addition to other fixtures thereon, be and become fixtures and become part of the realty and of the security and are included in the expression the "Lands".

7. **USE OF THE LANDS**

- (a) The Mortgagor will not commit or permit any act of waste on the Lands or any portion thereof or do or permit anything which might impair the value thereof.

- (b) The Mortgagor will at all times during the continuance of this mortgage well and sufficiently repair, maintain, restore and keep the Lands and every part thereof in good and substantial repair (normal wear and tear excepted).
- (c) The Mortgagee by its agents, solicitors or inspectors may enter upon the Lands or any part thereof at any reasonable time and upon reasonable notice to view their state of repair.
- (d) If in the opinion of the Mortgagee the Lands or any part thereof are not in a proper state of repair it may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee deems proper within a time limited by such notice. If the Mortgagor fails to comply with such notice such failure will constitute a breach of covenant hereunder and in such event the Mortgagee or its agents, employees or contractors may enter upon the Lands and proceed to repair as provided in this mortgage and will have all the remedies set forth herein.
- (e) The Mortgagor will not make, or permit to be made, any alterations or additions to the Lands, or change their present use thereof, without the consent of the Mortgagee.
- (f) If the Mortgagor rents out all or any portion of the Lands, the Mortgagor will faithfully perform any landlord's covenants which it may have undertaken or which it may hereafter undertake as landlord under any such leases and will neither do, neglect to do, nor permit to be done, anything (other than pursuing the enforcement of the terms of such leases in accordance with the terms thereof) which may cause a material modification or termination of any such leases or which may diminish the value of any leases, the rents provided for therein, or the interest of the Mortgagor or Mortgagee herein. The Mortgagor will not assign its interest in any such leases. The Mortgagor will give the Mortgagee immediate notice of any material default or notice of cancellation under any such leases.
- (g) In its ownership, operation and management of the Lands, the Mortgagor will observe and comply with all applicable federal, provincial and municipal by-laws, statutes, ordinances, regulations, orders and restrictions including but not limited to all health, fire safety and land use by-laws and all building codes affecting the Lands.

8. CARE OF THE LANDS

- (a) In this mortgage:
 - (i) "**environment**" includes the Lands and surroundings;
 - (ii) "**pollutant**" means any substance, class of substances, mixture of substances, form of energy or combination thereof that is capable of entering the environment in a quantity or concentration or under conditions that may cause an immediate or long term adverse effect, and includes anything defined as a hazardous substance, hazardous waste, toxic substance, dangerous goods, hazardous chemical, contaminant, or agricultural chemical under any federal, provincial or municipal laws or by-laws now or hereafter in force;
 - (iii) "**release**" includes the noun or verb form of spill, discharge, spray, inject, abandon, deposit, leak, seep, pour, emit, empty, throw, dump, place, exhaust and words of like or similar meaning.
- (b) Neither the Mortgagor, nor, to the knowledge of the Mortgagor after diligent inquiry and investigation, any other person, has ever caused or permitted any pollutant to be placed, handled, stored or disposed of on, under or at the Lands, or on, under or at adjacent lands, except as disclosed to the Mortgagee in writing.
- (c) The Mortgagor will not allow any pollutant to be placed, handled, stored or disposed of on, under or at the Lands without the prior written consent of the Mortgagee, which consent may be arbitrarily or unreasonably withheld.
- (d) In the event of a release, the Mortgagor will promptly take any and all necessary remedial action; provided, however, that the Mortgagor will not, without the Mortgagee's prior written consent, take any such remedial action nor enter into any settlement agreement, consent decree, or other compromise in respect of any related claims, proceedings, lawsuits or action commenced or threatened pursuant to any environmental, health or safety laws or in connection with any third party, if such remedial action, settlement, consent or compromise might impair the value of the Mortgagee's security hereunder. The Mortgagee's prior consent will not, however, be necessary if the release either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain the Mortgagee's consent prior to undertaking such action. If the Mortgagor undertakes any remedial action the Mortgagor will immediately notify the Mortgagee of any such remedial action in compliance with all applicable federal, provincial and municipal laws and by-laws, and in accordance with the orders and directives of all federal, provincial and municipal governmental authorities, to the satisfaction of the Mortgagee.
- (e) The Mortgagor agrees to defend, indemnify, and hold the Mortgagee harmless from and against any and all claims, losses, liabilities, damages and expenses (including, without limitation, legal costs as between a solicitor and his own client on a full indemnity basis, including those arising by reason of any of the aforesaid or an action under this indemnity) arising directly or indirectly from, out of or by reason of any release, environmental complaint, or any environmental health, fire, safety, and land use law governing the Mortgagor, its operations or the Lands. This indemnity will apply notwithstanding any negligent or other contributory conduct by or on the part of the Mortgagee or any one or more other parties or third parties and will survive the payment of and the satisfaction of this mortgage.

9. COVENANTS UNDER THE LAND TITLES ACT

- (a) The Mortgagor has a good title to the Lands;
- (b) The Mortgagor has the right to mortgage the Lands;
- (c) On default the Mortgagee will have quiet possession of the Lands;
- (d) The Lands are free from all encumbrances except as consented to in writing by the Mortgagee;
- (e) The Mortgagor will execute such further assurances of the Lands as may be required by the Mortgagee; and
- (f) The Mortgagor has done no act to encumber the Lands except as consented to in writing by the Mortgagee.

10. **DEFAULT AND ACCELERATION**

The Obligations will, at the option of the Mortgagee, immediately become due and payable, and this mortgage shall become enforceable and may be enforced, without the requirement of any or any further notice from the Mortgagee to the Mortgagor, in each of the following events, each of which shall constitute an event of default:

- (a) if the Mortgagor defaults in payment or in the observance or performance of any of the Obligations, or of any obligation, covenant or liability of the Mortgagor to the Mortgagee contained herein or in another security or agreement executed and delivered by the Mortgagor to the Mortgagee, and, except as otherwise expressly provided, such default continues for more than seven days following written notice from the Mortgagee to pay or to otherwise remedy the same;
- (b) if any warranty, representation or statement made or furnished to the Mortgagee by or on behalf of the Mortgagor in respect of the Lands or the Mortgagor proves to have been false or misleading in any material respect when made or furnished;
- (c) if the Lands are capable of generating income and there is loss or damage to the Lands or any part thereof which materially adversely affects its income-generating ability thereof in the reasonable opinion of the Mortgagee, and such loss or damage cannot be repaired or replaced so as to re-establish the income-generating ability of the Lands within a reasonable time and in any case within 150 days following such loss or damage;
- (d) if there is a seizure or attachment to or on the Lands;
- (e) if any charge or encumbrance created or issued by the Mortgagor affecting the Lands becomes enforceable and any step is taken to enforce the same;
- (f) if an order is made, an effective resolution passed or a petition is filed for the winding up of the Mortgagor, or a receiver of the Mortgagor or the Lands is appointed;
- (g) if the Mortgagor becomes insolvent, makes a general assignment for the benefit of its creditors or otherwise acknowledges insolvency, or a bankruptcy petition or receiving order is filed or made against the Mortgagor;
- (h) if the Mortgagor ceases or threatens to cease to carry on its business, makes a bulk sale of its assets or commits or threatens to commit any act of bankruptcy;
- (i) if any other mortgagee, encumbrancee or other party having a charge on the Lands commences proceedings to enforce its rights or security in such mortgage, encumbrance or charge or takes steps to collect all or any of the income generated from the Lands, or any part thereof;
- (j) if the Mortgagor grants or attempts to grant any form of security to any person other than the Mortgagee ranking or purporting to rank in priority to or equally with the security held by the Mortgagee on the Lands;
- (k) if the Mortgagor abandons the Lands or any part thereof; or
- (l) if the Mortgagor operates a business on the Lands and fails to maintain and operate such business as a going concern in a prudent and businesslike manner to the reasonable satisfaction of the Mortgagee.

11. **POWER OF ATTORNEY**

Upon the occurrence of an event of default pursuant to paragraph 10, the following power of attorney will take effect: the Mortgagor hereby irrevocably appoints the Mortgagee, or such person or corporation as may be designated by the Mortgagee, as attorney on behalf of the Mortgagor to sell, lease, mortgage or otherwise dispose of or encumber the Lands or any part thereof, and to execute all instruments and do all acts, matters and things that may be necessary or convenient for carrying out the powers hereby given and for the recovery of all sums of money owing for or in respect of the Lands or any part thereof, and for the enforcement of all contracts and covenants in respect of the Lands or any part thereof, and for the taking and maintaining of possession of and the protection and preservation of the Lands or any part thereof.

12. **RIGHT TO SEIZE**

If the Mortgagor defaults in performing or fulfilling any of the covenants set forth in this mortgage it will be lawful for, and the Mortgagor hereby grants full power and license to, the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the principal and interest and other monies as is from time to time in arrears, together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent.

13. **APPOINTMENT OF RECEIVER OR RECEIVER-MANAGER**

- (a) At any time when there is default under any of the provisions of this mortgage the Mortgagee may, with or without entering into possession of the Lands or any part thereof, appoint in writing a receiver or a receiver/manager (the "Receiver") of the Lands or any part thereof and of the rents and revenues therefrom with or without security. The Mortgagee may from time to time by similar writing remove any Receiver and appoint another in its place. In making any such appointment or removal the Mortgagee will be deemed to be acting as agent or attorney for the Mortgagor. The statutory declaration of an officer of the Mortgagee as to the existence of such default will be conclusive evidence of such default. Every Receiver will be the irrevocable assignee or attorney of the Mortgagor for the collection of all rents falling due in respect of the Lands or any part of them. Every Receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any powers and discretions of the Mortgagee. The Mortgagee may from time to time fix the remuneration of every Receiver, who will be entitled to deduct the same from the income or proceeds of sale of the Lands. Every Receiver will, as far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee. The appointment of every Receiver by the Mortgagee will not incur or create any liability on the part of the Mortgagee to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of any Receiver or the termination of any receivership will not have the effect of constituting the Mortgagee a mortgagee in possession of the Lands or any part of them. Every Receiver will from time to time have the power to rent any portion of the Lands which may become

vacant for such term and subject to such provisions as it may deem advisable or expedient and in so doing every Receiver will act as the attorney or agent of the Mortgagor and will have the authority to execute under the Mortgagor's seal any lease of any such premises in the name of and on behalf of the Mortgagor. The Mortgagor undertakes to ratify and confirm whatever any Receiver may do in respect of the Lands. Every Receiver will have full power to manage, operate, amend, repair, alter or extend the Lands or any part thereof in the name of the Mortgagor for all purposes including securing the payment of rental for the Lands or any part of them. In exercising such powers, the Receiver will have all incidental powers, including the power to borrow such funds as may be required in connection therewith. No Receiver will be liable to the Mortgagor to account for monies or damages other than cash received by it in respect of the Lands or any part thereof. Out of such cash so received every Receiver will in the following order pay:

- (i) its remuneration,
 - (ii) all payments made or incurred by it in connection with the management, operation, amendment, repair, alteration or extension of the Lands or any part of them, and
 - (iii) interest, principal and other money which may from time to time be charged upon the Lands in priority to this mortgage, and all taxes, insurance premiums and every other expenditure made or incurred by it in respect of the Lands or any part of them.
- (b) Notwithstanding the provisions of subparagraph (a) above, the Mortgagee, in addition to the right of private appointment contained therein, will have the right to apply to a court of competent jurisdiction for the appointment of a receiver or a receiver-manager, whether such application is made prior to or after the appointment of a receiver pursuant to subparagraph (a). The right to apply to a court for the appointment of a receiver or receiver-manager will be in addition to the right to appoint a receiver pursuant to subparagraph (a) and may be exercised at any time by the Mortgagee in its sole discretion.

14. DUE ON SALE

If, without the prior written consent of the Mortgagee:

- (a) the Mortgagor sells, conveys, transfers or assigns all or any part of its interest in the Lands the full amount then secured by this mortgage shall, at the option of the Mortgagee, become immediately due and payable upon notice to the Mortgagor.

15. ASSIGNMENT OF RENTALS

As further security to the Mortgagee for repayment and performance of its other obligations as aforesaid, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee all rents and other revenues from the Lands now or hereafter due or to become due, provided that:

- (a) the Mortgagor will be entitled to receive and recover such rents and other revenues until default under this mortgage;
- (b) if the Mortgagor defaults, all monies received by the Mortgagor in respect of the Lands after the default will be received by the Mortgagor in trust for the Mortgagee. Immediately after receiving such monies the Mortgagor will pay them to the Mortgagee;
- (c) the Mortgagee will have no obligation to collect any such rents or other revenues at any time and will be liable only for monies actually received;
- (d) nothing contained in this clause nor the exercise by the Mortgagee of any rights or remedies arising herefrom will place or be deemed to place the Mortgagee in possession of the Lands;
- (e) neither this assignment, nor the collection of rents pursuant to it, will be construed as a recognition or acceptance of any lease with respect to the Lands or any part thereof;
- (f) the Mortgagor will not accept any rents in excess of one monthly instalment in advance;
- (g) whenever requested by the Mortgagee the Mortgagor will assign to the Mortgagee its interest in each specific lease of the Lands or any part thereof and will execute such further specific or general assignments as may be requested by the Mortgagee from time to time; and
- (h) the Mortgagee or its agents may, but will not be obligated to, register this assignment at such registry offices as the Mortgagee in its discretion deems appropriate.

16. CONDOMINIUM

If the Lands are or hereafter become subject to a condominium plan duly created pursuant to the provisions of the *Condominium Property Act* (Alberta) (which, as amended from time to time, together with any legislation substituted therefor is herein collectively called the "**Act**"), then:

- (a) the Mortgagor fully and absolutely assigns, transfers and sets over to the Mortgagee all of the Mortgagor's voting rights now existing or which may hereafter come into existence with respect to the Lands and with respect to the Condominium Corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium unit or units being charged by this mortgage (the "Condominium Corporation"), whether such voting rights arise under the Act, under the by-laws of the Condominium Corporation, under any agreement with the Condominium Corporation, or otherwise howsoever. The Mortgagor will execute any documentation which in the sole opinion of the Mortgagee is necessary or advisable to give full effect to the foregoing. Provided however, that if the Mortgagee is not present in person or by proxy, or, if present, does not wish to vote, then the Mortgagor may without further authority exercise all voting rights other than the right to vote on any matter requiring a unanimous resolution. Provided further that the Mortgagee may, by written notice to the Mortgagor, terminate all voting rights and privileges of the Mortgagor;
- (b) notwithstanding anything to the contrary herein contained:

- (i) the Mortgagor will observe and perform every covenant and provision required to be performed under or pursuant to the terms of this mortgage, the Act, the by-laws of the Condominium Corporation in effect from time to time, and under any agreement between the Mortgagor and the Condominium Corporation; and
- (ii) without limiting the generality of the preceding subparagraph, the Mortgagor will pay promptly when due all assessments, instalments or payments owing by it to the Condominium Corporation; and
- (c) where the Mortgagor defaults in the Mortgagor's obligations to contribute to the common expenses assessed or levied by the Condominium Corporation or any authorized agent on its behalf, or any assessment, instalment or payment owing to the Condominium Corporation, or upon breach of any covenant or provision contained in this section, then regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor may pay such contribution owing to the Condominium Corporation or rectify any such default or breach by the Mortgagor.

17. **SUBROGATION**

The Mortgagee may pay off any charges or encumbrances against the Lands and in such cases will be subrogated to the rights of, stand in the position of, and be entitled to all the equities of the person so paid off, whether the same are or are not discharged.

18. **PRIOR CHARGE**

If the Mortgagor defaults in the performance of any covenants, payments or conditions contained in any mortgage, lien, agreement for sale, encumbrance, interest in land or other charge or claim upon or with respect to the Lands which has or may have or which may acquire priority to this mortgage (any and all of which are herein called the "**Prior Charge**") then such default will constitute a default under this mortgage and the Obligations will, at the option of the Mortgagee, become immediately due and payable without notice or demand. The Mortgagee will be entitled but not obligated to pay any arrears or other sums payable under the Prior Charge, or to pay off all or any portion of the amount thereby secured. For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge in the name of and on behalf of the Mortgagor. In this regard the Mortgagor hereby assigns to the Mortgagee its equity of redemption, if any, with respect to the Prior Charge, together with the statutory right of redemption given to the Mortgagor by the provisions of *The Law of Property Act* (Alberta), as in force and amended from time to time. It is the intention of the parties that the Mortgagee will have the same rights and powers, but not the liabilities, as the Mortgagor under and pursuant to the terms of the Prior Charge so that the Mortgagee will be in a position to take whatever steps are necessary to bring the Prior Charge into good standing once default has occurred thereunder. This assignment is not intended to encompass the Mortgagor's entire interest in the Prior Charge, but only to the extent hereinbefore stipulated. Furthermore, nothing herein contained will create any obligation upon the Mortgagee to cure any default on behalf of the Mortgagor.

19. **PARTIAL RELEASE**

The Mortgagee may release any part of the Lands at any time at its discretion, or may release any person from this mortgage or from any of the covenants herein contained or contained in any collateral security, either with or without any consideration therefor, without responsibility therefor and without releasing any other part of the Lands, any other person or any collateral security.

20. **MORTGAGEE IN POSSESSION**

If the Mortgagee exercises any of its rights hereunder, or goes into possession of the Lands or any part thereof for any purpose under the powers conferred upon it by this mortgage or by law, it will not be deemed to be a mortgagee in possession nor responsible in any way for anything other than monies actually received by it.

21. **APPROPRIATION OF PAYMENTS**

- (a) This mortgage is intended as security to secure the Obligations and any other amounts owing under and secured hereby in accordance with the terms hereof, and will secure any ultimate balance owing. No payment by the Mortgagor will reduce the amount secured by this mortgage unless:
 - (i) the Mortgagee so agrees in writing; or
 - (ii) the Mortgagor's obligations to the Mortgagee do not exceed the principal sum secured as set forth in paragraph 2 of this mortgage, the Mortgagee has no obligation to advance further funds to the Mortgagor or for which the Mortgagor would be liable, and the Mortgagor advises the Mortgagee in writing that the amount paid will reduce the principal sum secured by this mortgage.
- (b) Subject to clause (c) below, any amount received by the Mortgagee which reduces the gross amount secured by this mortgage will be applied in whatever manner the Mortgagee thinks fit as between principal, interest or other monies secured by this mortgage.
- (c) If, prior to the Mortgagee requiring payment from the Mortgagor under the Obligations, the Mortgagee received:
 - (i) a payment from the Mortgagor which reduces the amount secured hereunder;
 - (ii) insurance proceeds which are not applied to rebuild, reinstate or repair the Lands or released to the Mortgagor; or
 - (iii) any monies as a result of a demand upon or realizing upon the security of this mortgage and which reduces the amount secured by this mortgage;

the Mortgagee will retain the amount received (after deduction of any appropriate costs and expenses in accordance with this mortgage) in a collateral account in substitution for this mortgage to the extent of the amount so retained, and such amount will constitute security to the Mortgagee for the Obligations of the Mortgagor.

22. **EXPROPRIATION AND CONDEMNATION**

- (a) Notwithstanding anything to the contrary contained herein, if the Mortgagee receives a notice of intention to expropriate (as referred to in the *Expropriation Act* (Alberta)) the Lands or the estate or interest of the Mortgagee in the Lands, or the Lands are condemned by any authority having jurisdiction in that regard, then the Obligations will at the option of the Mortgagee automatically become due in full on demand by the Mortgagee.
- (b) The damages, proceeds, consideration and award, whether awarded by the Land Compensation Board, the Surface Rights Board, a court or otherwise, resulting from any expropriation are, to the extent of the full amount of the monies and obligations secured by this mortgage and remaining unpaid on the date of such expropriation, hereby assigned by the Mortgagor to the Mortgagee and will be paid immediately to the Mortgagee.
- (c) The Mortgagor acknowledges that it is aware of the provisions of Sections 49 and 52 of the *Expropriation Act* (Alberta); and any amendments thereto, and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof. The Mortgagor covenants to pay to the Mortgagee the difference between the amount secured under this mortgage and the monies paid by the expropriating authority to the Mortgagee, together with interest thereon at the Interest Rate both before and after maturity, default, acceleration and the obtaining of any judgment by the Mortgagee.

23. **GENERAL CLAUSES**

- (a) Any notice required or permitted to be given to the Mortgagor in connection with this mortgage may be delivered or mailed to it by registered mail addressed to it at its last address as shown on the records of the Mortgagee. Such notice will be conclusively deemed to have been received on the date of delivery or three business days after the date of mailing. No want of notice or publication when required by this mortgage or by any statute, nor any impropriety or irregularity, will invalidate any sale made or purported to be made under this mortgage.
- (b) No waiver by the Mortgagee of the performance of any covenant, proviso, condition or agreement herein contained will take effect or be binding on the Mortgagee unless the same is expressed in writing by the Mortgagee or its duly authorized agent. Such waiver will not nullify such covenant, proviso, condition or agreement, affect its future enforcement or be a waiver of any subsequent breach of the same.
- (c) A default in the due observance or performance by the Mortgagor of any of its covenants contained in the Obligations or in any promissory notes, agreements, or other securities which may now or at any time be held or taken by the Mortgagee in respect of the Obligations will, in addition to its usual effect, have the same effect and give rise to the same rights and remedies as a default under the terms of this mortgage. If the Mortgagee becomes entitled to take legal proceedings of any nature whatsoever against the Mortgagor in respect of this mortgage or in respect of the Obligations or any of the said promissory notes, agreements or other securities, the Mortgagee may either concurrently with such suit, successively or otherwise, pursue any or all of its other remedies. If the Mortgagee pursues one or other of the said remedies this will not constitute an election by the Mortgagee to abandon any of the other remedies.
- (d) The lien and charge hereby created will take effect immediately on the execution of this mortgage, and will secure the full amounts referenced in paragraph 2 hereof.
- (e) If the Mortgagor is a body corporate it will maintain its separate corporate existence and do all such things as are required in order to permit it to carry on its business.
- (f) If the Mortgagor operates a business on the lands or otherwise derives revenue therefrom the Mortgagor will:
 - (i) maintain proper records and books of account with respect to the operation of its business on the Lands and the income and expenses related thereto. The Mortgagor will allow the Mortgagee's representatives at all reasonable times to inspect all such records and books of account as such representatives may deem necessary; and
 - (ii) provide to the Mortgagee such information, financial or otherwise, as to the business and affairs of the Mortgagor, in relation to the Mortgagor being able to observe and perform its obligations to the Mortgagee under this mortgage, as the Mortgagee may from time to time request.
- (g) The Mortgagor will fulfill or comply with such additional terms, conditions and covenants, if any, as are contained on Schedule "B" to this mortgage.
- (h) This mortgage is issued subject to the terms of the Assumption Agreement. In the event of any inconsistency or conflict between the terms of this mortgage and the Assumption Agreement, the terms of the Assumption Agreement shall govern. Notwithstanding the foregoing, in the event that this mortgage contains rights or remedies in favour of the Mortgagee which are in addition to the rights and remedies of the Mortgagee set forth in the Assumption Agreement, the existence of such additional rights and remedies shall not constitute a conflict or inconsistency with the provisions of the Assumption Agreement.

24. **INTERPRETATION**

- (a) If the context so requires, wherever the neuter is used it will include the feminine and masculine, and wherever the singular is used it will include the plural.
- (b) If there is more than one Mortgagor then all covenants and stipulations herein contained or implied will apply to and be binding upon all the Mortgagors jointly and severally; provided always, and it is expressly agreed, that all covenants, provisos, powers, privileges and licenses herein expressed or implied will be binding upon and enure to the benefit of the respective legal personal representatives, successors and assigns of the parties.
- (c) The provisions contained in any schedules to this mortgage are incorporated by reference and form a part of this mortgage as fully as if set out in the body of this mortgage. The covenants and obligations of the Mortgagor and the rights and remedies of the Mortgagee contained in this mortgage are in addition to those granted or implied by statute or otherwise imposed or granted by law.

- (d) If any provision of this mortgage is held to be invalid or unenforceable by a Court of competent jurisdiction it will be deemed to have been deleted from the mortgage and the remaining provisions of this mortgage will continue in full force and effect and be enforceable to the greatest extent permitted by law.
- (e) The headings contained in this mortgage are inserted for ease of reference only and will not be construed so as to limit or restrict the obligations of the Mortgagor or the rights and remedies of the Mortgagee herein.
- (f) Neither the execution nor registration of this mortgage or any additional or other security or documentation will act as a merger of or otherwise affect the enforceability of the Obligations. All agreements and securities now or hereafter entered into by the Mortgagor with or in favour of the Mortgagee, whether related to the within transaction or otherwise, will be in addition to and not in substitution for any agreements or securities previously granted, unless expressly provided to the contrary therein.

25. **CHARGE**

For better securing to the Mortgagee the repayment in the manner aforesaid of the said principal sum and interest and other charges and monies hereby secured, and for the due performance by the Mortgagor of all of the covenants, provisos and conditions herein expressed or implied, the Mortgagor hereby mortgages to the Mortgagee all its estate and interest in the Lands.

26. **DISCHARGE**

The Mortgagee will have a reasonable time to provide the Mortgagor with a registrable discharge of this mortgage, upon the Mortgagor becoming entitled to such discharge. All costs related to such discharge will be borne by the Mortgagor to the extent permitted by law.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the Mortgagor has executed this mortgage on the ____ day of _____, 2021.

JMB CRUSHING SYSTEMS INC.

Witness:

Per:

Witness:

Per:

AFFIDAVIT OF EXECUTION

I, _____ of _____, in the Province of Alberta, MAKE OATH AND SAY:

1. That I was personally present and did see _____ who is known to me be the person named in the within (or annexed) instrument, duly sign the instrument;

or

I was personally present and did see _____ who, on the basis of the identification provided to me, I believe to be the person named in the within (or annexed) instrument, duly sign the instrument;

2 That the same was executed at _____, in the Province of Alberta, and that I am the subscribing witness thereto.

3 That I know the said person(s) named in paragraph 1 and he/she is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City of _____)
 _____, in the Province of Alberta this ____)
 of _____, 2021.)

 A Commissioner for Oaths in and for Alberta)
 (Print or Stamp Name Next to Signature)
 My Commission Expires _____

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, _____, of _____, in the Province of Alberta, MAKE OATH AND SAY:

1. I am an officer or a director of JMB Crushing Systems Inc. named in the within or annexed instrument.

2. I am authorized by JMB Crushing Systems Inc. to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of _____)
 _____, in the Province of Alberta this ____)
 of _____, 2021.)

 A Commissioner for Oaths in and for Alberta)
 (Print or Stamp Name Next to Signature)
 My Commission Expires _____

AFFIDAVIT OF EXECUTION

I, _____ of _____, in the Province of Alberta, MAKE OATH AND SAY:

1. That I was personally present and did see _____ who is known to me be the person named in the within (or annexed) instrument, duly sign the instrument;

or

I was personally present and did see _____ who, on the basis of the identification provided to me, I believe to be the person named in the within (or annexed) instrument, duly sign the instrument;

4 That the same was executed at _____, in the Province of Alberta, and that I am the subscribing witness thereto.

5 That I know the said person(s) named in paragraph 1 and he/she is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City of _____)
_____, in the Province of Alberta this ____)
of _____, 2021.)
)
)
)
)
)
_____)

A Commissioner for Oaths in and for Alberta
(Print or Stamp Name Next to Signature)
My Commission Expires

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, _____, of _____, in the Province of Alberta, MAKE OATH AND SAY:

3. I am an officer or a director of JMB Crushing Systems Inc. named in the within or annexed instrument.

4. I am authorized by JMB Crushing Systems Inc. to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of _____)
_____, in the Province of Alberta this ____)
of _____, 2021.)
)
)
)
)
)
_____)

A Commissioner for Oaths in and for Alberta
(Print or Stamp Name Next to Signature)
My Commission Expires

SCHEDULE "A"
LANDS AND ENCUMBRANCES

LANDS:

**ALL THAT PORTION OF THE SOUTH WEST QUARTER OF SECTION ELEVEN (11)
TOWNSHIP FIFTY SEVEN (57)
RANGE SIX (6)
WEST OF THE FOURTH MERIDIAN,
LYING TO THE WEST OF THE WESTERLY LIMIT OF LAND REQUIRED FOR RAILWAY
PURPOSES,
AS SHOWN ON PLAN 7521297 AND SOUTH OF THE SOUTH LIMIT OF ROAD PLAN 3445BM
CONTAINING 7.17 HECTARES (17.72 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME**

-and-

**THE NORTH EAST QUARTER OF SECTION THIRTY FIVE (35)
TOWNSHIP FIFTY SIX (56)
RANGE SIX (6)
WEST OF THE FOURTH MERIDIAN
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THEREOUT: HECTARES (ACRES) MORE OR LESS
A) PLAN 6430 KS - ROAD 0.417 1.03
B) PLAN 395 RS - ROAD 0.615 1.52
C) PLAN 9222585 - ROAD 0.407 1.01
EXCEPTING THEREOUT ALL MINES AND MINERALS**

ENCUMBRANCES, LIENS AND INTERESTS:

Instrument No. 7814UH (Caveat)

Instrument No. 792 233 325 (Caveat re: Easement)

Instrument No. 832 213 053 (Caveat re: Easement)

Instrument No. 122 244 840 (Caveat re: Lease)

Instrument No. 902 080 605 (Caveat re: Easement)

Instrument No. 972 286 681 (Caveat re: Right of Way Agreement)

THIS IS EXHIBIT "P" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

May 12, 2021

Mantle Materials Group, Ltd.
9046 - 22 Avenue SW
Edmonton, AB
T6X 1Z6

Attention: Jeff Ryks

Dear Jeff:

We thank you for the opportunity to consider the following financing opportunity. The following terms and conditions are for discussion purposes only and do not represent a formal commitment.

1. **LOAN AMOUNT:**

1.1. Loan Segment 1: \$1,000,000 Revolving credit facility to allow for issuance of Letters of Credit.

2. **PURPOSE OF LOANS:**

Amounts advanced by the Bank are to be used by the Borrower as follows:

2.1. Loan Segment 1: To assist in setting up Letters of Credit as required under Surface Lease Agreements.

3. **FEES:**

3.1. The Borrower shall pay to the Bank an application fee of \$0 to set up the credit facility;

3.2. The Borrower shall pay an annual review fee of \$1,000^{je} each year in conjunction with the annual review (based on the Borrower's fiscal year end financial statements) to renew the Line of Credit;

3.3. The Borrower shall pay standard L/C fees of 1.50% for each new and per annum based on the amount of the L/C.

4. **SECURITY:**

5.1. Application & Agreement – Letter of Credit;

5.2. Assignment of Bank Instrument in an amount equivalent to any Letter of Credit issued;

5.3. Such additional securities as the Bank may deem necessary or advisable for the purpose of obtaining and perfecting the foregoing security.

5. **REPORTING REQUIREMENTS:**

5.1. Notice to Reader, annual financial statements of the Borrower prepared by a firm of qualified professional accountants within 120 days of the Borrower's fiscal year-end.

The Borrower agrees to give the Bank other reasonable documents, assurance, information and covenants as the solicitors for the Bank may reasonably require with regard to the loan or the security documents to be given hereunder.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Please note this document is an expression of interest only and is not to be construed as a commitment of any kind. This proposal for financing is open for acceptance until May 21, 2021.

Yours truly,

CANADIAN WESTERN BANK



Mitchel K. McCallen
Senior Manager Business Development



Matt Colpitts
AVP and Branch Manager

Acceptance:

I hereby confirm acceptance on this 13 day of May, 2021.

BORROWER: MANTLE MATERIAL GROUP, LTD.

Signed



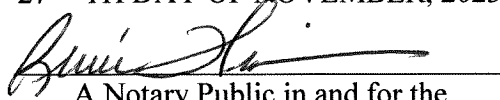
Signed

Accepted

13, May, 2021

Date

THIS IS EXHIBIT "Q" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

Mantle Materials Group Ltd.

Projected Cash Flow Statement for the period of July 14, 2023 to October 13, 2023

Projected Cash Flow Statement (C\$ 000s)	Week 1 28-Jul	Week 2 4-Aug	Week 3 11-Aug	Week 4 18-Aug	Week 5 25-Aug	Week 6 1-Sep	Week 7 8-Sep	Week 8 15-Sep	Week 9 22-Sep	Week 10 29-Sep	Week 11 6-Oct	Week 12 13-Oct	Total	Notes
Cash Receipts														
Post-Filing Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,400	\$ 30,400	\$ 976,730	\$ 993,910	\$ 260,030	\$ 75,750	\$ 75,750	\$ 2,442,970	1
Collection of Pre-filing AR	100,279	27,044	403,673	18,796	69,417	49,345	18,541	10,302	-	-	-	-	697,396	2
Total - Cash Receipts	\$ 100,279	\$ 27,044	\$ 403,673	\$ 18,796	\$ 69,417	\$ 79,745	\$ 48,941	\$ 987,032	\$ 993,910	\$ 260,030	\$ 75,750	\$ 75,750	\$ 3,140,366	
Operating Disbursements														
Payroll + Source Deductions	108,351	-	108,351	-	53,983	-	53,983	-	53,983	-	53,983	-	432,634	3
Royalties	-	-	-	-	-	128,471	128,471	186,221	180,813	102,541	102,541	102,541	931,597	4
Trucking and Fuel	60,480	3,840	3,840	1,440	1,440	1,440	1,440	503,695	521,175	75,295	17,015	16,655	1,207,755	5
Repair & Maintenance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	6
Equipment Lease Payments	32,803	409	8,057	4,878	1,344	1,753	1,714	4,076	7,758	7,459	5,041	4,076	79,366	7
Insurance & Benefits	6,408	-	408	-	408	6,000	408	4,000	408	-	6,408	-	24,446	8
G&A Expense	37,294	1,000	1,000	1,000	8,600	12,194	1,000	1,000	1,000	17,571	3,223	1,000	85,883	9
EPO Reclamation	-	-	155,787	155,787	155,787	155,787	122,014	122,014	122,014	122,014	59,028	59,028	1,229,259	10
Total - Operating Disbursements	\$ 246,335	\$ 6,249	\$ 278,442	\$ 164,105	\$ 222,562	\$ 306,644	\$ 310,030	\$ 822,005	\$ 888,150	\$ 325,880	\$ 248,239	\$ 184,299	\$ 4,002,940	
Non-Operating Receipts & Disbursements														
Interim Financing (Draw)	(300,000)	-	-	(300,000)	-	-	(450,000)	-	-	-	(250,000)	-	(1,300,000)	11
Professional Fees	40,000	-	-	-	-	-	202,500	-	-	-	82,500	100,000	425,000	12
Total - Non-Operating Receipts & Disbursements	\$ (260,000)	\$ -	\$ -	\$ (300,000)	\$ -	\$ -	\$ (247,500)	\$ -	\$ -	\$ -	\$ (167,500)	\$ 100,000	\$ (875,000)	
Net Cash Flow	\$ 113,944	\$ 20,796	\$ 125,231	\$ 154,691	\$ (153,145)	\$ (226,900)	\$ (13,589)	\$ 165,027	\$ 105,760	\$ (65,850)	\$ (4,989)	\$ (208,549)	\$ 12,427	
Opening Cash	\$ 1,000	\$ 114,944	\$ 135,739	\$ 260,971	\$ 415,661	\$ 262,517	\$ 35,617	\$ 22,028	\$ 187,055	\$ 292,815	\$ 226,965	\$ 221,976	1,000	
Change in Cash	113,944	20,796	125,231	154,691	(153,145)	(226,900)	(13,589)	165,027	105,760	(65,850)	(4,989)	(208,549)	12,427	
Ending Cash Balance	\$ 114,944	\$ 135,739	\$ 260,971	\$ 415,661	\$ 262,517	\$ 35,617	\$ 22,028	\$ 187,055	\$ 292,815	\$ 226,965	\$ 221,976	\$ 13,427	\$ 13,427	

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Byron J Levkulich

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Mantle Materials Group Ltd.

Byron Levkulich, Director



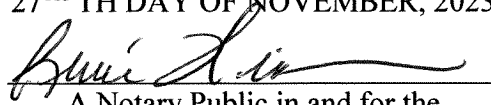
FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
OF INTENTION TO MAKE A PROPOSAL
Dustin Olver, LIT

Notes:

Management of Mantle Materials Group Ltd. ("Mantle") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of Mantle during the period of July 22, 2023 to October 13, 2023. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-12. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Post-filing amounts are estimated collections from customers for work completed and invoiced after the NOI filing.
- 2 Collection of pre-filing customer accounts receivable.
- 3 Payroll and source deductions represent payments to employees for wages and vacation pay.
- 4 Royalties represent private and public land aggregate royalty payments and land rental costs.
- 5 Trucking expenses to deliver sold material. Fuel related to company vehicles and crushing operations.
- 6 R&M related to historical run rates for costs relating to crushing equipment and loader necessary to complete the permitted sales contracts.
- 7 Forecasted based on current run rates and expected requirements to complete on-going contracts.
- 8 Insurance & Benefits represent recurring payments based on current run rates.
- 9 General and administrative expenses are forecasted based on current run rates and includes occupancy expense, third party accounting expenses, and other miscellaneous costs
- 10 Internal budget based on pending and/or approved work plans set forth with AEP.
- 11 The Interim Financing represents advances for interim funding provided by Interim Financing lender during the NOI proceedings.
- 12 Professional fees relate to the Company's legal counsel, the Trustee and Trustee's legal counsel.

THIS IS EXHIBIT "R" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

Mantle Materials Group Ltd.

Projected Cash Flow Statement for the period of July 29, 2023 to October 20, 2023

Projected Cash Flow Statement (C\$ 000s)	Week 1 4-Aug	Week 2 11-Aug	Week 3 18-Aug	Week 4 25-Aug	Week 5 1-Sep	Week 6 8-Sep	Week 7 15-Sep	Week 8 22-Sep	Week 9 29-Sep	Week 10 6-Oct	Week 11 13-Oct	Week 12 20-Oct	Total	Notes
Cash Receipts														
Post-Filing Sales	\$ -	\$ -	\$ -	\$ -	\$ 30,400	\$ 30,400	\$ 76,050	\$ 75,750	\$ 165,750	\$ 1,070,710	\$ 1,070,710	\$ 427,688	\$ 2,947,458	1
Collection of Pre-filing AR	-	364,427	185,365	69,417	49,345	18,541	10,302	-	-	-	-	-	697,396	2
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total - Cash Receipts	\$ -	\$ 364,427	\$ 185,365	\$ 69,417	\$ 79,745	\$ 48,941	\$ 86,352	\$ 75,750	\$ 165,750	\$ 1,070,710	\$ 1,070,710	\$ 427,688	\$ 3,644,854	
Operating Disbursements														
Payroll + Source Deductions	-	95,302	-	45,417	-	38,379	-	38,379	-	38,379	-	20,944	276,800	3
Royalties	-	-	-	-	128,471	128,471	128,471	128,563	102,541	160,291	160,291	143,172	1,080,269	4
Trucking	-	-	-	-	-	-	15,575	15,575	15,575	560,535	560,535	101,906	1,269,701	
Fuel (SG&A)	-	15,360	1,920	1,920	1,440	1,440	1,440	1,440	1,440	1,440	1,080	1,080	30,000	
Fuel (Production)	-	52,800	-	-	-	-	-	-	-	-	-	-	52,800	
Trucking and Fuel	-	68,160	1,920	1,920	1,440	1,440	17,015	17,015	17,015	561,975	561,615	102,986	1,352,501	5
Repair & Maintenance	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000	6
Equipment Lease Payments (Light Equipment)	-	1,211	3,534	-	409	-	2,732	803	-	409	2,732	-	11,829	
Equipment Lease Payments (Sales)	-	1,344	1,344	9,596	9,596	6,955	6,955	4,939	1,411	1,344	1,344	-	44,829	
Equipment Lease Payments (Production)	-	32,000	-	-	-	-	-	-	-	-	-	-	32,000	
Equipment Lease Payments	-	34,555	4,878	9,596	10,005	6,955	9,687	5,742	1,411	1,753	4,076	-	88,658	7
Insurance & Benefits	-	6,815	-	408	6,000	408	4,000	408	-	6,408	-	-	24,446	8
Office Administration	-	2,323	-	100	2,223	-	-	-	100	2,223	-	-	6,970	
Occupancy	-	8,971	-	-	8,971	-	-	-	-	8,971	-	-	26,913	
Other / Miscellaneous Contingency	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	
G&A Expense	1,000	12,294	1,000	1,100	12,194	1,000	1,000	1,000	1,100	12,194	1,000	1,000	45,883	9
EPO Reclamation	-	126,364	104,364	104,364	104,364	126,904	176,904	126,904	151,904	105,561	105,561	155,561	1,388,754	10
Emergency Payments	-	85,515	-	-	-	-	-	-	-	-	-	-	85,515	11
Total - Operating Disbursements	\$ 1,000	\$ 430,006	\$ 113,162	\$ 163,805	\$ 263,474	\$ 304,557	\$ 338,077	\$ 319,010	\$ 274,971	\$ 887,560	\$ 833,542	\$ 424,663	\$ 4,353,826	
Net Operating Cash Flow	\$ (1,000)	\$ (65,580)	\$ 72,203	\$ (94,388)	\$ (183,729)	\$ (255,616)	\$ (251,724)	\$ (243,260)	\$ (109,221)	\$ 183,150	\$ 237,168	\$ 3,025	\$ (708,972)	
Non-Operating Receipts & Disbursements														
Interim Financing (Draw)	-	(335,000)	-	-	-	(700,000)	-	(365,000)	-	-	-	-	(1,400,000)	12
Professional Fees	-	70,000	-	-	-	172,500	-	-	-	82,500	100,000	-	425,000	13
Total - Non-Operating Receipts & Disbursements	\$ -	\$ (265,000)	\$ -	\$ -	\$ -	\$ (527,500)	\$ -	\$ (365,000)	\$ -	\$ 82,500	\$ 100,000	\$ -	\$ (975,000)	
Net Cash Flow	\$ (1,000)	\$ 199,420	\$ 72,203	\$ (94,388)	\$ (183,729)	\$ 271,884	\$ (251,724)	\$ 121,740	\$ (109,221)	\$ 100,650	\$ 137,168	\$ 3,025	\$ 266,028	
Opening Cash	\$ 28,267	\$ 27,267	\$ 226,688	\$ 298,891	\$ 204,503	\$ 20,773	\$ 292,658	\$ 40,933	\$ 162,673	\$ 53,453	\$ 154,103	\$ 291,271	28,267	
Change in Cash	(1,000)	199,420	72,203	(94,388)	(183,729)	271,884	(251,724)	121,740	(109,221)	100,650	137,168	3,025	266,028	
Ending Cash Balance	\$ 27,267	\$ 226,688	\$ 298,891	\$ 204,503	\$ 20,773	\$ 292,658	\$ 40,933	\$ 162,673	\$ 53,453	\$ 154,103	\$ 291,271	\$ 294,296	\$ 294,296	

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Byron J Levkulich

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Mantle Materials Group Ltd.

Byron Levkulich, Director



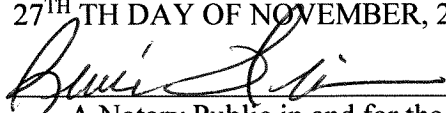
FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
OF INTENTION TO MAKE A PROPOSAL
Dustin Olver, LIT

Notes:

Management of Mantle Materials Group Ltd. ("Mantle") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of Mantle during the period of July 29, 2023 to October 20, 2023. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-13. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1** Post-filing amounts are estimated collections from customers for work completed and invoiced after the NOI filing.
- 2** Collection of pre-filing customer accounts receivable.
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- 11** Emergency Payments relate to amounts which arose prior to the Filing Date and deemed critical to operations by the Company.
- 12** The Interim Financing represents advances for interim funding provided by Interim Financing lender during the NOI proceedings.
- 13** Professional fees relate to the Company's legal counsel, the Trustee and Trustee's legal counsel.

THIS IS EXHIBIT "S" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENEE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

Mantle Materials Group Ltd.
Projected Cash Flow Statement for the period of August 5, 2023 to December 29, 2023

Projected Cash Flow Statement (C\$ 000s)	Week 1 11-Aug	Week 2 18-Aug	Week 3 25-Aug	Week 4 1-Sep	Week 5 8-Sep	Week 6 15-Sep	Week 7 22-Sep	Week 8 29-Sep	Week 9 6-Oct	Week 10 13-Oct	Week 11 20-Oct	Week 12 27-Oct	Week 13 3-Nov	Week 14 10-Nov	Week 15 17-Nov	Week 16 24-Nov	Week 17 1-Dec	Week 18 8-Dec	Week 19 15-Dec	Week 20 22-Dec	Week 21 29-Dec	Total	Notes
Cash Receipts																							
Post-Filing Sales	\$ -	\$ -	\$ -	\$ 10,400	\$ 30,400	\$ 76,050	\$ 75,750	\$ 165,750	\$ 1,070,710	\$ 1,070,710	\$ 227,688	\$ 517,688	\$ 305,188	\$ 103,938	\$ 39,980	\$ 129,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,824,230	1
Collection of Pre-filing AR	-	72,010	429,269	162,700	23,115	10,302	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	697,396	2
Other Receipts	38,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,700	3
Total - Cash Receipts	\$ 38,700	\$ 72,010	\$ 429,269	\$ 173,100	\$ 53,515	\$ 86,352	\$ 75,750	\$ 165,750	\$ 1,070,710	\$ 1,070,710	\$ 227,688	\$ 517,688	\$ 305,188	\$ 103,938	\$ 39,980	\$ 129,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,560,326	
Operating Disbursements																							
Payroll + Source Deductions	49,017	46,285	55,096	-	55,096	-	55,096	-	55,096	-	49,617	-	20,944	-	20,944	-	20,944	-	14,117	-	14,117	456,369	4
Royalties	-	-	-	2,933	2,933	7,608	7,700	7,700	65,450	65,450	47,438	47,438	18,988	19,865	14,332	4,092	12,800	25,600	-	-	-	363,126	5
Trucking and Fuel	-	71,280	3,120	563,655	653,655	108,695	138,695	18,695	15,026	15,026	12,986	7,580	7,580	1,080	1,080	1,080	1,080	480	480	480	480	1,636,180	6
Repair & Maintenance	-	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	21,000	7
Equipment Lease Payments	-	39,434	9,596	10,005	6,955	9,687	5,742	1,411	1,753	4,076	803	-	409	-	2,732	803	409	-	2,732	803	-	97,346	8
Insurance & Benefits	5,651	18,212	8,158	6,000	7,804	-	4,408	-	13,804	-	408	-	6,408	7,397	4,408	-	6,408	7,397	408	-	6,408	103,276	9
G&A Expense	-	13,294	1,100	12,194	1,000	1,000	1,100	1,100	12,194	1,000	1,000	1,000	12,294	1,000	1,000	1,000	12,294	1,000	1,000	1,000	1,000	88,765	10
EPO Reclamation	-	176,364	104,364	104,364	104,364	126,904	176,904	126,904	151,904	105,561	105,561	155,561	105,561	35,570	10,570	10,570	10,570	10,570	6,236	6,236	6,236	1,640,869	11
Emergency Payments	-	85,515	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,515	12
Total - Operating Disbursements	\$ 54,668	\$ 452,384	\$ 182,434	\$ 700,151	\$ 832,808	\$ 254,894	\$ 390,545	\$ 156,810	\$ 316,227	\$ 192,113	\$ 220,852	\$ 217,985	\$ 173,183	\$ 72,411	\$ 56,064	\$ 18,544	\$ 65,504	\$ 46,046	\$ 25,971	\$ 9,518	\$ 53,334	\$ 4,492,446	
Net Operating Cash Flow	\$ (15,968)	\$ (380,374)	\$ 246,835	\$ (527,051)	\$ (779,293)	\$ (168,542)	\$ (314,795)	\$ 8,940	\$ 754,483	\$ 878,597	\$ 6,836	\$ 299,703	\$ 132,005	\$ 31,526	\$ (16,084)	\$ 111,436	\$ (65,504)	\$ (46,046)	\$ (25,971)	\$ (9,518)	\$ (53,334)	\$ 67,881	
Non-Operating Receipts & Disbursements																							
Interim Financing (Draw)	-	(475,000)	-	(450,000)	(1,000,000)	-	(275,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,200,000)	13
Professional Fees	-	70,000	-	-	172,500	-	-	-	82,500	-	-	-	127,500	-	-	-	127,500	-	-	-	-	141,250	14
Total - Non-Operating Receipts & Disbursements	\$ -	\$ (405,000)	\$ -	\$ (450,000)	\$ (827,500)	\$ -	\$ (275,000)	\$ -	\$ 82,500	\$ -	\$ -	\$ -	\$ 127,500	\$ -	\$ -	\$ -	\$ 127,500	\$ -	\$ -	\$ -	\$ 141,250	\$ (1,478,750)	
Net Cash Flow	\$ (15,968)	\$ 24,626	\$ 246,835	\$ (77,051)	\$ 48,207	\$ (168,542)	\$ (39,795)	\$ 8,940	\$ 671,983	\$ 878,597	\$ 6,836	\$ 299,703	\$ 4,505	\$ 31,526	\$ (16,084)	\$ 111,436	\$ (193,004)	\$ (46,046)	\$ (25,971)	\$ (9,518)	\$ (194,584)	\$ 1,546,631	
Opening Cash	\$ 16,034	\$ 66	\$ 24,692	\$ 271,527	\$ 194,475	\$ 242,683	\$ 74,141	\$ 34,346	\$ 43,286	\$ 715,269	\$ 1,593,866	\$ 1,600,702	\$ 1,900,405	\$ 1,904,910	\$ 1,936,436	\$ 1,920,352	\$ 2,031,788	\$ 1,838,784	\$ 1,792,738	\$ 1,766,766	\$ 1,757,248	16,034	
Change in Cash	(15,968)	24,626	246,835	(77,051)	48,207	(168,542)	(39,795)	8,940	671,983	878,597	6,836	299,703	4,505	31,526	(16,084)	111,436	(193,004)	(46,046)	(25,971)	(9,518)	(194,584)	1,546,631	
Ending Cash Balance	\$ 66	\$ 24,692	\$ 271,527	\$ 194,475	\$ 242,683	\$ 74,141	\$ 34,346	\$ 43,286	\$ 715,269	\$ 1,593,866	\$ 1,600,702	\$ 1,900,405	\$ 1,904,910	\$ 1,936,436	\$ 1,920,352	\$ 2,031,788	\$ 1,838,784	\$ 1,792,738	\$ 1,766,766	\$ 1,757,248	\$ 1,562,664	\$ 1,562,664	

DocuSigned by:
Byron J Levkulich
DA7FAFF6A770408
Mantle Materials Group Ltd.
Byron Levkulich, Director

Dustin Oliver
FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
OF INTENTION TO MAKE A PROPOSAL
Dustin Oliver, LIT

Notes:

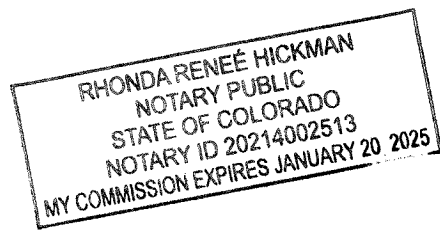
Management of Mantle Materials Group Ltd. ("Mantle") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of Mantle during the period of August 5, 2023 to December 29, 2023. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-14. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1** Post-filing amounts are estimated collections from customers for work completed and invoiced after the NOI filing
- 2** Collection of pre-filing customer accounts receivable.
- 3** Other Receipts includes amounts forward by RLF Lender for funding of critical payments and other miscellaneous collections.
- 4** Payroll and source deductions represent payments to employees for wages and vacation pay.
- 5** Royalties represent private and public land aggregate royalty payments and land rental costs.
- 6** Trucking expenses to deliver sold material. Fuel related to company vehicles and crushing operations.
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- 14** Professional fees relate to the Company's legal counsel, the Trustee and Trustee's legal counsel.

THIS IS EXHIBIT "T" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado



Mantle Materials Group Ltd.
Projected Cash Flow Statement for the period of September 15, 2023 to December 29, 2023

Projected Cash Flow Statement (C\$ 000s)	Week 1 Week Ending 22-Sep	Week 2 29-Sep	Week 3 6-Oct	Week 4 13-Oct	Week 5 20-Oct	Week 6 27-Oct	Week 7 3-Nov	Week 8 10-Nov	Week 9 17-Nov	Week 10 24-Nov	Week 11 1-Dec	Week 12 8-Dec	Week 13 15-Dec	Week 14 22-Dec	Week 15 29-Dec	Total	Notes
Cash Receipts																	
Post-Filing Sales	\$ -	\$ 246,682	\$ 974,664	\$ 17,590	\$ 25,579	\$ 226,207	\$ 57,723	\$ 505,621	\$ 854,851	\$ 1,039,100	\$ -	\$ -	\$ -	\$ -	\$ -	3,948,016	1
Collection of Pre-filing AR	-	108,183	-	-	-	-	-	-	-	-	-	-	-	-	-	108,183	2
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
Total - Cash Receipts	\$ -	\$ 354,864	\$ 974,664	\$ 17,590	\$ 25,579	\$ 226,207	\$ 57,723	\$ 505,621	\$ 854,851	\$ 1,039,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,056,199	
Operating Disbursements																	
Payroll + Source Deductions	57,376	-	52,005	-	52,005	-	52,005	-	46,709	-	46,709	-	29,194	-	29,194	365,197	4
Royalties	-	121,470	-	-	-	-	-	80,543	63,250	57,750	-	-	20,480	-	28,875	372,368	5
Trucking and Fuel	105,486	2,820	289,461	442,220	401,420	2,820	2,820	2,520	2,520	2,520	1,080	1,080	1,080	1,080	1,080	1,261,447	6
Repair & Maintenance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	15,000	7
Equipment Lease Payments	26,274	41,255	9,682	11,199	-	-	409	-	-	-	409	-	-	-	-	89,227	8
Insurance & Benefits	4,408	-	13,804	-	408	-	6,408	7,397	4,408	-	6,408	7,397	408	-	6,408	57,451	9
G&A Expense	18,382	11,107	14,073	2,391	2,163	1,000	12,573	1,000	1,000	1,000	12,573	1,000	1,000	1,000	12,573	92,836	10
EPO Reclamation	236,521	38,200	176,898	175,129	224,814	224,849	5,461	130,346	55,404	55,404	6,236	6,236	6,236	6,236	(43,765)	1,353,369	11
Emergency Payments	109,472	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109,472	12
Total - Operating Disbursements	\$ 558,918	\$ 215,852	\$ 556,923	\$ 631,938	\$ 681,809	\$ 229,669	\$ 80,676	\$ 222,805	\$ 174,291	\$ 117,674	\$ 125,023	\$ 16,712	\$ 59,397	\$ 9,316	\$ 35,365	\$ 3,716,367	
Net Operating Cash Flow	\$ (558,918)	\$ 139,013	\$ 417,741	\$ (614,349)	\$ (656,230)	\$ (3,462)	\$ (22,952)	\$ 282,816	\$ 680,560	\$ 921,427	\$ (125,023)	\$ (16,712)	\$ (59,397)	\$ (9,316)	\$ (35,365)	\$ 339,832	
Non-Operating Receipts & Disbursements																	
Professional Fees	107,483	298,463	137,500	-	-	-	-	95,000	-	-	137,500	-	-	-	141,250	917,196	13
Total - Non-Operating Receipts & Disbursements	\$ 107,483	\$ 298,463	\$ 137,500	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ -	\$ -	\$ 137,500	\$ -	\$ -	\$ -	\$ 141,250	\$ 917,196	
NET CASH FLOWS	\$ (666,401)	\$ (159,451)	\$ 280,241	\$ (614,349)	\$ (656,230)	\$ (3,462)	\$ (22,952)	\$ 187,816	\$ 680,560	\$ 921,427	\$ (262,523)	\$ (16,712)	\$ (59,397)	\$ (9,316)	\$ (176,615)	\$ (577,364)	
CASH																	
Opening Cash	\$ 20,171	\$ 3,769	\$ 54,319	\$ 334,559	\$ 720,211	\$ 63,981	\$ 60,519	\$ 37,566	\$ 225,382	\$ 905,942	\$ 1,827,369	\$ 1,564,846	\$ 1,548,134	\$ 1,488,737	\$ 1,479,421	20,171	
Interim Financing (Draw)	650,000	210,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	1,860,000	14
Change in Cash	(666,401)	(159,451)	280,241	(614,349)	(656,230)	(3,462)	(22,952)	187,816	680,560	921,427	(262,523)	(16,712)	(59,397)	(9,316)	(176,615)	(577,364)	
ENDING CASH	\$ 3,769	\$ 54,319	\$ 334,559	\$ 720,211	\$ 63,981	\$ 60,519	\$ 37,566	\$ 225,382	\$ 905,942	\$ 1,827,369	\$ 1,564,846	\$ 1,548,134	\$ 1,488,737	\$ 1,479,421	\$ 1,302,806	\$ 1,302,806	
INTERIM FINANCING FACILITY																	
Opening	\$ 335,000	\$ 985,000	\$ 1,195,000	\$ 1,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	335,000	
Draw/ (Repayment)	650,000	210,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	1,860,000	
ENDING INTERIM FINANCING FACILITY	\$ 985,000	\$ 1,195,000	\$ 1,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	\$ 2,195,000	

DocuSigned by:

Byron J Levkulich

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Mantle Materials Group Ltd.
Byron Levkulich, Director

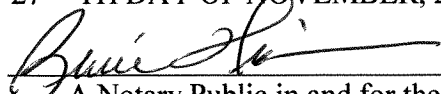
FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
OF INTENTION TO MAKE A PROPOSAL
Dustin Olver, LIT

Notes:

Management of Mantle Materials Group Ltd. ("Mantle") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of Mantle during the period of Septmeber 16, 2023 to December 29, 2023. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-14. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1** Post-filing amounts are estimated collections from customers for work completed and invoiced after the NOI filing.
- 2** Collection of pre-filing customer accounts receivable.
- 3** Other Receipts includes amounts forward by RLF Lender for funding of critical payments and other miscellaneous collections.
- 4** Payroll and source deductions represent payments to employees for wages and vacation pay.
- 5** Royalties represent private and public land aggregate royalty payments and land rental costs.
- 6** Trucking expenses to deliver sold material. Fuel related to company vehicles and crushing operations.
- 7** R&M related to historical run rates for costs relating to crushing equipment and loader necessary to complete the permitted sales contracts.
- 8** Forecasted based on current run rates and expected requirements to complete on-going contracts.
- 9** Insurance & Benefits represent recurring payments based on current run rates.
- 10** General and administrative expenses are forecasted based on current run rates and includes occupancy expense, third party accounting expenses, and other miscellaneous costs
- 11** Internal budget based on pending and/or approved work plans set forth with AEP.
- 12** Emergency Payments relate to amounts which arose prior to the Filing Date and deemed critical to operations by the Company.
- 13** Professional fees relate to the Company's legal counsel, the Trustee and Trustee's legal counsel.
- 14** The Interim Financing represents advances for interim funding provided by Interim Financing lender during the NOI proceedings.

THIS IS EXHIBIT "U" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

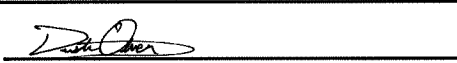
RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

Mantle Materials Group Ltd.

Fifth Cash Flow Statement

Weeks Ending (Friday) (CAD)	3-Nov Forecast	10-Nov Forecast	17-Nov Forecast	24-Nov Forecast	1-Dec Forecast	8-Dec Forecast	15-Dec Forecast	22-Dec Forecast	29-Dec Forecast	5-Jan Forecast	10-Week Forecast
Forecast Week	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Total
RECEIPTS											
Operational Receipts	-	390,582	358,029	865,284	766,098	6,653	298,887	298,887	28,400	240,000	3,252,820
Sale of Equipment	-	-	-	-	-	-	-	-	-	1,588,800	1,588,800
Receipts	-	390,582	358,029	865,284	766,098	6,653	298,887	298,887	28,400	1,828,800	4,841,620
DISBURSEMENTS											
<i>Operating Disbursements</i>											
Payroll + Source Deductions	44,846	-	44,846	-	41,230	-	41,230	-	41,230	-	213,382
Royalties	1,384	-	3,544	-	55,085	-	192,330	27,502	12,983	26,400	319,228
Trucking and Fuel	273,180	200,237	10,900	1,800	1,800	1,800	1,800	1,800	1,800	300	495,417
Repair & Maintenance	1,000	1,000	1,000	1,000	-	-	-	-	-	-	4,000
Equipment Lease Payments	4,037	3,629	23,434	3,871	409	-	-	-	-	-	35,380
Insurance & Benefits	6,408	7,397	4,408	-	6,408	7,397	408	-	6,408	-	38,832
G&A Expense	30,962	1,000	1,000	1,000	8,853	1,000	1,000	1,000	8,853	1,500	56,167
EPO Reclamation	111,854	323,250	-	-	-	-	-	-	-	-	435,104
<i>Total Operating Disbursements</i>	473,670	536,512	89,131	7,671	113,784	10,197	236,768	30,302	71,274	28,200	1,597,509
Net Operating Cash Flow	\$ (473,670)	\$ (145,931)	\$ 268,898	\$ 857,614	\$ 652,314	\$ (3,543)	\$ 62,119	\$ 268,585	\$ (42,874)	\$ 1,800,600	\$ 3,244,111
<i>Non-Operating Receipts & Disbursements</i>											
Professional Fees	-	70,000	-	-	372,738	-	-	-	136,250	-	578,988
<i>Total Non-Operating Receipts & Disbursements</i>	-	70,000	-	-	372,738	-	-	-	136,250	-	578,988
NET CASH FLOWS	\$ (473,670)	\$ (215,931)	\$ 268,898	\$ 857,614	\$ 279,576	\$ (3,543)	\$ 62,119	\$ 268,585	\$ (179,124)	\$ 1,800,600	\$ 2,665,123
CASH											
Beginning Balance	\$ 342,348	\$ 264,977	\$ 49,047	\$ 317,944	\$ 1,175,558	\$ 1,455,134	\$ 1,451,591	\$ 1,513,709	\$ 1,782,294	\$ 1,603,170	\$ 342,348
Interim Financing (Draw)	396,300	-	-	-	-	-	-	-	-	-	396,300
Net Cash Inflows / (Outflows)	(473,670)	(215,931)	268,898	857,614	279,576	(3,543)	62,119	268,585	(179,124)	1,800,600	2,665,123
ENDING CASH	\$ 264,977	\$ 49,047	\$ 317,944	\$ 1,175,558	\$ 1,455,134	\$ 1,451,591	\$ 1,513,709	\$ 1,782,294	\$ 1,603,170	\$ 3,403,770	\$ 3,403,770
INTERIM FINANCING FACILITY											
Opening	\$ 1,803,700	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 1,803,700
Draw/ (Repayment)	396,300	-	-	-	-	-	-	-	-	-	396,300
ENDING INTERIM FINANCING FACILITY	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000


 Mantle Materials Group Ltd.
 Byron Levkulich, Director


 FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
 OF INTENTION TO MAKE A PROPOSAL
 Dustin Olver, LIT

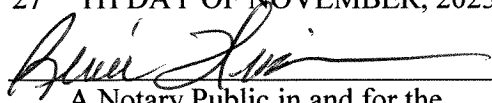
Notes:

Management of Mantle Materials Group Ltd. ("Mantle") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of Mantle during the period of October 28, 2023 to January 5, 2024.

This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-13. Consequently, actual results will likely vary from actual performance and such variances may be material.

- [1] Operational receipts consist of post-filing amounts are estimated collections from customers for work completed and invoiced after the NOI filing and collection of pre-filing customer accounts receivable.
- [2] Proceeds from the sale of the Company's Surplus Equipment by way of public auction by Ritchie Bros.
- [3] Payroll and source deductions represent payments to employees for wages and vacation pay.
- [4] Royalties represent private and public land aggregate royalty payments and land rental costs.
- [5] Trucking expenses to deliver sold material. Fuel related to company vehicles and crushing operations.
- [6] R&M related to historical run rates for costs relating to crushing equipment and loader necessary to complete the permitted sales contracts.
- [7] Forecasted based on current run rates and expected requirements to complete on-going contracts.
- [8] Insurance & Benefits represent recurring payments based on current run rates.
- [9] General and administrative expenses are forecasted based on current run rates and includes occupancy expense, third party accounting expenses, and other miscellaneous costs
- [10] Internal budget based on pending and/or approved work plans set forth with AEP.
- [11] Professional fees relate to the Company's legal counsel, the Trustee and Trustee's legal counsel.
- [12] The Interim Financing represents advances for interim funding provided by Interim Financing lender during the NOI proceedings.

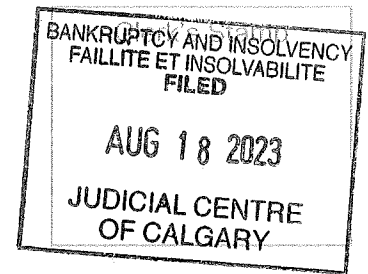
THIS IS EXHIBIT "V" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

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



APPLICANTS 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, Administration Charge, Interim
Financing, Interim Financing Charge, D&O Charge 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 / 403.298.1018

Fax: 403.263.9193

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

File No.: A1171561

DATE ON WHICH ORDER WAS PRONOUNCED: August 15, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Feasby in
Commercial Chambers

UPON THE APPLICATION of Mantle Materials Group, Ltd. (“**Mantle**” or, the “**Applicant**”) filed August 8, 2023; **AND UPON** reading the Affidavit of Byron Levkulich, sworn August 7, 2023, the Supplemental Affidavit of Byron Levkulich, sworn August 11, 2023 (the “**August 11 Affidavit**”), the Second Supplemental Affidavit of Byron Levkulich sworn, August 14, 2023, the Affidavit of Cory Pichota, sworn August 8, 2023, the Affidavit of Warren Miller of Travelers Capital Corp. (“**Travelers**”), sworn August 4, 2023, the Affidavit of Heather Dent, sworn August 11, 2023, and the Affidavits of Service of Samah Zeineddine, sworn August 8 and 15, 2023; **AND UPON** reading the Report of FTI Consulting Canada Inc. in its capacity as proposal trustee of the Applicant (in such capacity, the “**Proposal Trustee**”), dated August 4, 2023, and the Supplemental Report of the Proposal

Trustee, dated August 11, 2023; **AND UPON** hearing submissions by counsel for the Applicant, the Proposal Trustee, Travelers, the Minister of Environment and Protected Areas 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 *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) is hereby extended to September 27, 2023 (as extended from time to time, the “**Stay Period**”).

ADMINISTRATION CHARGE

3. Legal counsel to Mantle, the Proposal Trustee and McCarthy Tétrault, legal counsel to the Proposal Trustee, as security for their respective professional fees and disbursements incurred in preparing for and during these proposal proceedings, and both before and after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a security and charge (the “**Administration Charge**”) on all of Mantle’s present and after-acquired assets, property and undertakings (the “**Property**”), which charge shall not exceed \$425,000.

INTERIM FINANCING

4. Mantle is hereby authorized and empowered to obtain and borrow under an interim financing facility (the “**Interim Financing Facility**”) pursuant to the interim financing facility commitment letter dated August 10, 2023 (the “**Interim Financing Commitment Letter**”) between Mantle as borrower and RLF Canada Lender Limited (the “**Interim Lender**”) as lender, provided that borrowings under the Interim Financing Facility shall not exceed the principal amount of \$2,200,000 unless permitted by further order of this Court and agreed to by the Interim Lender.

5. The Interim Financing Facility shall be on the terms and subject to the conditions set forth in the Interim Financing Commitment Letter attached as Exhibit “H” to the August 11 Affidavit, as such Interim Financing Commitment Letter may be amended in accordance with its terms.
6. The Interim Lender shall be entitled to the benefit of and are hereby granted a security and charge on the Property (the “**Interim Lender’s Charge**”) as security for the payment and performance of the indebtedness, liabilities and obligations of Mantle to the Interim Lender under the Interim Financing Commitment Letter and the Interim Financing Facility created thereby in the principal amount of \$2,200,000 together with any interest accrued thereon or costs and expenses incurred thereunder.

D&O INDEMNIFICATION AND CHARGE

7. Mantle shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers after the Filing Date, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director or officer’s gross negligence or wilful misconduct.
8. Each of the directors and officers of Mantle shall be entitled to the benefit of and are hereby granted a charge (the “**D&O Charge**”) on all of the Property, which shall not exceed an aggregate amount of \$150,000, as security for the indemnity provided in this Order.

PRIORITY OF CHARGES

9. The filing, registration or perfection of the Administration Charge, the Interim Lender’s Charge and the Directors Charge (collectively, the “**Charges**”) shall not be required, and the Charges shall be enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
10. The Charges shall constitute a security and charge on the Property and, with the exception of the security interests in favour of Travelers registered in the Alberta Property Registry as base registration number 21100725361 (the “**Travelers’ Security Interests**”), such Charges shall rank in priority to all other security interests, trusts, liens, charges, deemed trusts, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person, including liens and trusts created by federal and provincial legislation (collectively, the “**Encumbrances**”), provided, however, that the relative priority of the

Charges and the Travelers' Security Interests is subject to further order of the Court. The ranking as between the Charges shall be as follows:

- (a) first, the Administration Charge;
 - (b) second, the Interim Lender's Charge; and
 - (c) third, the D&O Charge.
11. Except as otherwise provided herein, or as may be approved by this Honourable Court, Mantle shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, any of the Charges, unless Mantle obtains the prior written consent of the beneficiaries of the Charges (the "**Chargees**") or further order of this Court.
12. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to the *BIA*, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the *BIA*;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds Mantle, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by Mantle of any Agreement to which they, or any one of them, is a party;
 - (ii) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the

creation of the Charges, or the execution, delivery or performance of the Interim Financing Facility; and

- (iii) the payments made by Mantle pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

RESTATEMENT OF STAY AND CONTINUATION OF SERVICES

13. In accordance with section 69(1) of the *BIA*, during the period between July 14, 2023 (the “**Filing Date**”) and the date on which the Stay Period expires:

- (i) no creditor has any remedy against Mantle or against any of the Property or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy; and
- (ii) no provision of a security agreement between Mantle and a secured creditor that provides, in substance, that on Mantle’s insolvency, the default by Mantle of an obligation under the security agreement, or the filing by Mantle of the NOI, Mantle ceases to have rights to use or deal with Property secured under the security agreement as it would otherwise have, has any force or effect.

14. In accordance with section 65.1(1) of the *BIA* but subject to section 65.1(4) of the *BIA*, no person may terminate or amend any agreement with Mantle or claim an accelerated payment, or a forfeiture of the term, under any agreement with Mantle by reason only that Mantle is insolvent or a NOI has been filed with respect to Mantle.

15. During the Stay Period, all persons having oral or written agreements with Mantle or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Mantle, provided in each case that the normal prices or charges for such goods or services received after the date of this Order are paid by Mantle in accordance with normal payment practices of Mantle or other practices as may be agreed upon by the supplier or service provider and each of Mantle and the Proposal Trustee, or as may be ordered by this Honourable Court.

16. Mantle shall be entitled, but not required, to pay amounts owing to any supplier for goods or services actually supplied to Mantle prior to July 14, 2023 if, in the opinion of Mantle, any such payment is necessary to maintain the uninterrupted operations of the business (such payments being “**Emergency Payments**”), provided that the Proposal Trustee approves such payment and such payment is contemplated by the cash flow projections filed by the Proposal Trustee in these proceedings under section 50(6) of the *BIA*.
17. In the event that the payment of an Emergency Payment which was made prior to the date of this Order has been funded by an advance under the Interim Financing Facility, Mantle shall be entitled to repay such advance(s) to the Interim Lender from any amounts received by Mantle subsequent to the Filing Date.
18. Any Person (as such term is defined in the *BIA*) that has collected, realized, seized or taken possession of any money or other Property subsequent to the Filing Date without the consent of the Proposal Trustee or leave of this Honourable Court shall promptly deliver or surrender to Mantle such money or other Property.

ALLOCATION

19. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administration Charge, the Interim Lender's Charge, and the D&O Charge amongst the various assets comprising the Property.


GENERAL

20. 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.
21. The approval as to form and content of the parties to this Order may be signed in counterpart and by facsimile or other electronic means.



J.C.K.B.A.

Approved as to form and content this 17th day
of August, 2023 by Legal Counsel for FTI
Consulting Canada Inc., in its capacity as
Proposed Trustee for the Applicant



Pantelis Kyriakakis
McCarthy Tétrault LLP

Approved as to form and content this ____ day
of August, 2023 by Legal Counsel for the
Applicant

Tom Cumming
Gowling WLG (Canada) LLP

Approved as to form and content this ____ day
of August, 2023 by Legal Counsel for Alberta
Environment and Protected Areas (AEP)

Doug Nishimura
Field Law

Approved as to form and content this ____ day
of August, 2023 by Legal Counsel for Travelers
Capital Corp.

Alexis Teasdale
Lawson Lundell LLP

Approved as to form and content this ____ day
of August, 2023 by Legal Counsel for FTI
Consulting Canada Inc., in its capacity as
Proposal Trustee for the Applicant

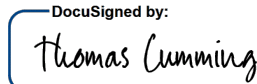
Pantelis Kyriakakis
McCarthy Tétrault LLP

Approved as to form and content this 17th day
of August, 2023 by Legal Counsel for Alberta
Environment and Protected Areas (AEP)



Doug Nishimura
Field Law

Approved as to form and content this 17th day
of August, 2023 by Legal Counsel for the
Applicant

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Tom Cumming
Gowling WLG (Canada) LLP

Approved as to form and content this ____ day
of August, 2023 by Legal Counsel for Travelers
Capital Corp.

Alexis Teasdale
Lawson Lundell LLP

Approved as to form and content this ____ day
of August, 2023 by Legal Counsel for FTI
Consulting Canada Inc., in its capacity as
Proposal Trustee for the Applicant

Pantelis Kyriakakis
McCarthy Tétrault LLP

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of August, 2023 by Legal Counsel for Alberta
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Doug Nishimura
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Applicant

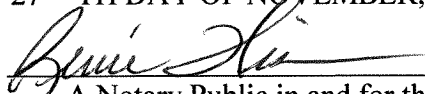
Tom Cumming
Gowling WLG (Canada) LLP

Approved as to form and content this 17th day
of August, 2023 by Legal Counsel for Travelers
Capital Corp.



Alexis Teasdale
Lawson Lundell LLP

THIS IS EXHIBIT "W" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

Court of King's Bench of Alberta



Citation: Re Mantle Materials Group, Ltd, 2023 ABKB 488

Date:
Docket: 2301 10358
Registry: 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.

**Reasons for Decision
of the
Honourable Justice Colin C.J. Feasby**

Introduction

[1] Mantle Materials Group, Ltd. applied for an extension of time to make a proposal pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 s 50.4(8), approval of various charges on the bankrupt estate (“Restructuring Charges”) including the priority of those charges, and approval of the payment of certain pre-filing debts to creditors whose support is required to perform environmental reclamation work that will be integral to the pending proposal. The application was granted with a temporary proviso with respect to the priority of the Restructuring Charges over certain equipment to ensure that Travelers Capital Corp, a secured lender, was not prejudiced prior to the release of these Reasons.

[2] Mantle advises that the proposal that it intends to make will not allow payment to any creditors before Mantle has satisfied its end-of-life obligations stemming from Environmental Protection Orders issued by Alberta Environment and Protected Areas (“AEPA” formerly Alberta Environment and Parks) with respect to several gravel producing properties. Mantle submits that this is what is required by *Orphan Well Association v Grant Thornton Ltd*, 2019 SCC 5 (“*Redwater*”) because the environmental remediation obligation is an obligation of the company that must be satisfied prior to distributions to creditors. AEPA supports Mantle’s position.

[3] Travelers asserts that it has priority with respect to security in certain equipment and Travelers' ability to realize on its security should not be postponed until after the remediation work has been completed to AEPA's satisfaction and subordinated to the Restructuring Charges. Travelers offers a different interpretation of *Redwater*. Travelers contends that *Redwater* held that an end-of-life environmental obligation need only be satisfied using assets encumbered by or related to the end-of-life obligation. Travelers submits the Court should find that a creditor with security over assets unrelated to assets burdened with the environmental remediation obligation may realize on such security without delay.

Background

[4] Mantle operates 14 gravel pits on public land pursuant to surface material leases issued by AEPA. Mantle also operates 10 gravel pits on private land pursuant to royalty agreements with the landowners.

[5] Mantle acquired its gravel-producing assets in 2021 in the *Companies' Creditors Arrangement Act* proceedings for JMB Crushing Systems Inc. and associated companies.¹ Financial liabilities of JMB were compromised and undesired assets were transferred to a residual company pursuant to a Reverse Vesting Order. The desired assets remained in JMB and its subsidiary 2161889 Alberta Ltd, both of which then amalgamated with Mantle on May 1, 2021.

[6] Following the commencement of the JMB CCAA proceedings, AEPA issued Environmental Protection Orders ("EPOs") to JMB and 216 in respect of some of the gravel-producing properties.

[7] EPOs are issued pursuant to AEPA's authority under the *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 s 140. An AEPA inspector is permitted to "issue an environmental protection order regarding conservation and reclamation to an operator directing the performance of any work or the suspension of any work if in the inspector's opinion the performance or suspension of the work is necessary in order to conserve and reclaim the land."

[8] An EPO issued by AEPA in respect of end-of-life reclamation is similar in nature to an Abandonment and Reclamation Order ("ARO") issued by the Alberta Energy Regulator ("AER"). Indeed, all the parties in the present case proceeded on the basis that an EPO issued by AEPA had the same legal effect and should be subject to like treatment in insolvency proceedings as an ARO issued by the AER.

[9] The EPOs issued by AEPA to JMB address end-of-life reclamation steps to be taken at various gravel-producing or formerly gravel-producing assets operated by JMB on both public and private land.

[10] The original Reverse Vesting Order presented to the Court in the JMB CCAA proceedings sought to absolve the directors of JMB and 216 of responsibility for the EPOs and sought to usurp AEPA's regulatory role by putting the Court in a supervisory role with respect to

¹ For a discussion of the restructuring of JMB and the use of a reverse vesting order in that case, see Candace Formosa, "Dampening the Effect of *Redwater* Through a Reverse Vesting Order," in Jill Corrani & D. Blair Nixon, eds., *Annual Review of Insolvency Law*, (Toronto: Thomson Reuters, 2021) 697.

the performance of reclamation work by Mantle and compliance with the EPOs. AEPA objected to the original proposed Reverse Vesting Order.

[11] As a result of AEPA's objections, the Court approved a revised Reverse Vesting Order that provided that the order did not affect the liability of JMB, 216, or the directors of those companies for "Compliance Issues" or performing "Reclamation Obligations" in respect of the various gravel-producing properties. Mantle accordingly remained liable for the EPOs issued with respect to both the properties acquired in the amalgamation with JMB and 216 and the properties now possessed by the residual company. Mantle negotiated a plan with AEPA for the reclamation work to be done to satisfy the EPOs.

[12] Following completion of the JMB CCAA proceedings, Mantle entered a loan transaction with Travelers. Travelers loaned Mantle \$1,700,000 for the acquisition of equipment for use in its operations. Mantle granted Travelers a purchase-money security interest (PMSI) over the equipment. The security interest was registered in the Alberta Personal Property Registry. Pursuant to an agreement between Travelers, Mantle, and Fiera Private Debt Fund V LP, which holds a general security interest in all of Mantle's present and after acquired property, Travelers' security interest in the equipment was designated to have first priority. As of July 21, 2023, Mantle owed Travelers just short of \$1.1 million.

[13] Mantle experienced operational problems and was burdened with excessive debt inherited from the JMB CCAA proceedings and incurred in the period following the acquisition of the gravel-producing properties. Mantle's difficulties were compounded by the significant reclamation obligations it was required to complete to satisfy the EPOs. On July 14, 2023, Mantle filed a notice of intention to make a proposal under s 50.4 of the BIA.

[14] On August 15, 2023, I granted an extension of the BIA stay period and the time period to permit Mantle to make its proposal. I further approved the creation and priority ranking of various Restructuring Charges, including an Administration Charge, a Directors & Officers Charge, and an Interim Lending Facility Charge. I was satisfied that the participation of lawyers, insolvency professionals, and directors and officers was required for the proposal to succeed. I was further satisfied that the Interim Lending Facility, which is to be primarily used to fund reclamation work, is necessary for the success of the proposal.

[15] Travelers' argued that the Restructuring Charges should not have priority over Travelers' security interest in the equipment and that Travelers should be able to be paid out or realize on its security without delay. Mantle, supported by AEPA, submitted that the Restructuring Charges were necessary to put the proposal into effect and that the main plank of the proposal was the completion of the reclamation work to satisfy the EPOs. Mantle is of the view that the value of the gravel pits that are still active exceeds the amount of the reclamation obligations. Mantle has also posted more than \$1 million as security with AEPA which will be returned upon completion of the reclamation obligations to AEPA's satisfaction. Mantle submits that Travelers should not be permitted to realize on its security prior to the completion of the reclamation work because if it were allowed to do so, that would jeopardize Mantle's ability to complete the reclamation work and thereby jeopardize its ability to make a proposal to its creditors.

[16] I granted an Order to allow work on the pending proposal, including reclamation work, to get underway while preserving Travelers' position pending these Reasons. The Order provided, in part, as follows:

The Charges shall constitute a security and charge on the Property and, with the exception of the security interests in favour of Travelers registered in the Alberta Property Registry as base registration number 21100725361 (the “**Travelers’ Security Interests**”), such Charges shall rank in priority to all other security interests, trusts, liens, charges, deemed trusts, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person, including liens and trusts created by federal and provincial legislation (collectively, the “**Encumbrances**”), provided, however, that the relative priority of Charges and the Travelers’ Security Interests is subject to further order of the Court....

Redwater, Manitok, Trident, and Stare Decisis

[17] Mantle and AEPA submit that three decisions dictate the outcome of this case: ***Redwater; Manitok Energy Inc (Re)***, 2022 ABCA 117; and ***Orphan Well Association v Trident Exploration Corp***, 2022 ABKB 839. These decisions, they say, stand for the principle that end-of-life environmental obligations must be satisfied before any creditors may recover and that the whole estate of the insolvent entity is to be used to satisfy such end-of-life environmental obligations. This rule leaves no room for those with security in assets unrelated to the environmental condition or damage to realize on that security until end-of-life obligations have been satisfied using, if necessary, the unrelated assets in which they have security.

[18] Travelers submits that Mantle and AEPA are wrong that ***Redwater*** and ***Manitok*** are controlling and that instead the present case is one of “first instance.” ***Redwater*** and ***Manitok*** indicate that there is an exception to the rule posited by Mantle and AEPA for assets unrelated to the environmental condition or damage and that it is for this Court to give that exception shape. Travelers, citing ***R v Comeau***, 2018 SCC 15 and ***R v Sullivan***, 2022 SCC 19, further asserts that ***Trident*** at para 66-67 is inconsistent with ***Redwater*** and ***Manitok*** and “violates the doctrine of vertical *stare decisis*....” ***Trident***, Travelers argues, should not be followed because of its conflict with ***Redwater*** and ***Manitok***.

[19] Rather than discussing a basic concept like *stare decisis* in Reasons, I normally just ask what the relevant cases and statutes say the law is and then apply the law to the facts of the case before me. Travelers, however, has raised the issue of *stare decisis* and provided me with some authorities, making it clear that they attach some importance to it.

[20] As a judge of a court of first instance, the principle of vertical *stare decisis* provides that I am bound to follow the *ratio decidendi* of decisions of higher courts. The inimitable Master Funduk explained: “The judicial pecking order does not permit little peckers to overrule big peckers. It is the other way around”: ***South Side Woodwork v R.C. Contracting***, 1989 CanLII 3384 (AB KB) at para 53.

[21] The Court held in ***Comeau*** at para 26 “[s]ubject to extraordinary exceptions, a lower court must apply the decisions of higher courts to the facts before it.” None of the exceptions apply in the present case. The issue, as will be come clear later in these Reasons, is whether there is a decision that is on point that must be followed or whether the reasons of the Supreme Court of Canada and the Court of Appeal left the question open.

[22] The principle of horizontal *stare decisis* requires that judges of the same Court pay heed to each others’ decisions. This is particularly important in the commercial arena where parties

plan their affairs and make significant investment decisions based on the law that emerges from this Court.

[23] Kasirer J, writing for the Court, observed in *Sullivan* at para 65 “Horizontal *stare decisis* applies to courts of coordinate jurisdiction within a province.... While not strictly binding in the same way as vertical *stare decisis*, decisions of the same court should be followed as a matter of judicial comity, as well as for the reasons supporting *stare decisis* generally.”

[24] Kasirer J explained in *Sullivan* at para 75 that a Court should only depart from horizontal *stare decisis* if:

1. The rationale of an earlier decision has been undermined by subsequent appellate decisions;
2. The earlier decision was reached per incuriam (“through carelessness” or “by inadvertence”); or
3. The earlier decision was not fully considered, e.g. taken in exigent circumstances.

[25] Vertical *stare decisis* requires me to determine the *ratio decidendi* of *Redwater* and *Manitok* while horizontal *stare decisis* demands that I determine the *ratio decidendi* of *Trident* with respect to the question before me – whether the whole of a debtor’s estate, including unrelated assets, must be used to satisfy end-of-life environmental obligations prior to any distribution to creditors.

[26] Justices Côté, Brown, and Rowe writing for themselves and Wagner CJC in dissent in *R v Kirkpatrick*, 2022 SCC 33 at para 127 explained what the *ratio decidendi* of a decision is:

The *ratio decidendi* of a decision is a statement of law, not facts, and “[q]uestions of law forming part of the *ratio* . . . of a decision are binding . . . as a matter of *stare decisis*.” A question of law cannot, therefore, be confused with the various factual matrices from which that question of law might arise [citations omitted].

[27] The *ratio decidendi* of a case can be difficult to separate from *obiter dictum*, which is an expression of opinion that is not essential to a decision. Binnie J explained in *R v Henry*, 2005 SCC 76 at para 52: “the submissions of the attorneys general presuppose a strict and tidy demarcation between the narrow *ratio decidendi* of a case, which is binding, and *obiter*, which they say may safely be ignored. I believe that this supposed dichotomy is an oversimplification of how the common law develops.”

[28] The discussion that follows shows that the issue in the present case is not one of distinguishing between *ratio decidendi* and *obiter dictum*; rather, it is to what extent the Court is bound by what *Redwater* and *Manitok* imply or, perhaps more accurately, what the parties infer from those decisions. With *Trident*, the question is whether the *ratio decidendi*, which is clear, applies on the facts of the present case.

[29] What does *Redwater* say about environmental obligations and unrelated assets? Wagner CJC, writing for the majority, pointed out that *Redwater*’s environmental liabilities were not required to be satisfied with unrelated assets. He held at para 159:

it is important to note that Redwater's only substantial assets were affected by an environmental condition or damage. Accordingly, the Abandonment Orders and LMR requirements did not seek to force Redwater to fulfill end-of-life obligations with assets unrelated to the environmental condition or damage. In other words, recognizing that the Abandonment Orders and LMR requirements are not provable claims in this case does not interfere with the aims of the *BIA* — rather, it facilitates them [emphasis added].

[30] Travelers submits that Wagner CJC chose his words carefully and that the only plausible inference from those words is that unrelated assets cannot be conscripted to satisfy end-of-life environmental obligations. Though he may have chosen his words carefully in the sense that he did not want to foreclose a scenario where assets were so unrelated to an environmental obligation that they should not be called upon to satisfy the environmental obligation, he did not provide any guidance as to what he meant by “assets unrelated” or how unrelated the assets must be to escape the reach of the regulator.

[31] The Court of Appeal in *Manitok* addressed the question of whether a debtor's oil and gas assets could be divided into two pools, one consisting of valuable assets and the other consisting of assets burdened by environmental obligations. The Court viewed the situation in *Manitok* to be the same as in *Redwater* where the proceeds of the sale of valuable oil and gas assets “had to be used by Redwater's trustee to satisfy abandonment and reclamation obligations before any distribution to secured creditors” (para 31). The Court went on at para 31 to explain how it interpreted *Redwater*:

The point is that the outcome of *Redwater* demonstrates that the Supreme Court of Canada did not treat Redwater's assets as falling into different pools. All of the oil and gas assets were treated collectively as being contaminated, and they all had to answer for the abandonment and reclamation obligations attached to the disclaimed assets. None of the other oil and gas assets were ‘assets unrelated’ to the other oil and gas assets. *Manitok* is in exactly the same position. The ‘substantial assets’ of *Manitok* are the same as the ‘substantial assets’ of *Redwater*.

[32] Though the Court of Appeal adverted in *Manitok* to the question of whether in theory unrelated assets could not be called upon to satisfy environmental obligations it deferred the question because it did not have to be decided given the Court's conclusion that all of *Manitok*'s substantial assets were related to the environmental obligations. The Court held at para 36:

Redwater confirms that the proceeds of the sale of those assets must be applied first towards the satisfaction of abandonment and reclamation obligations. To the extent that there is any issue about it, the status of assets completely unrelated to the oil and gas business can be left for another day [emphasis added].

[33] Mantle and AEPA argue that Wagner CJC's words in para 159 must be viewed in the context of the whole ruling in *Redwater*. Wagner CJC held that environmental obligations are a corporate or estate obligation that must be satisfied before any creditor claims (para 98; see also, *Manitok* at para 17, 30, & 35). According to Mantle and AEPA, the logic of this ruling leaves no room for the exception for assets unrelated to the environmental condition or damage asserted by Travelers.

[34] The reference to “assets unrelated” in *Redwater* unaccompanied by any explanation followed by the Court of Appeal’s statement in *Manitok* that it was leaving the issue for “another day” indicates that there is no *ratio decidendi* in those cases that binds me in the present case. As I will explain below, the facts of the present case do not require me to decide whether Travelers is correct that some category of assets unrelated to the environmental condition or damage in issue may not be used to satisfy environmental regulatory obligations or Mantle and AEPA are correct that all the assets that comprise the estate of a debtor must be used to address environmental regulatory obligations before creditor claims are paid.

[35] That Redwater and Manitok’s substantial assets were all oil and gas assets was not surprising. Many oil and gas companies do not own much in the way of assets other than oil and gas rights and the equipment required to produce oil and gas from those interests in land such as compressors, pumpjacks, and tanks. And even this kind of equipment may be leased instead of owned. Jack R Maslen & Tiffany Bennett, “Going Green? New Interpretations of Redwater from Canada’s Natural Resource Sectors” in Jill Corrani Nadeau & D. Blair Nixon, eds., *Annual Review of Insolvency Law*, (Toronto: Thomson Reuters, 2022) 105 concluded at 119, “based on *Manitok*, assets or proceeds that relate in any way to the debtor’s oil and gas business will be used to satisfy non-monetary end-of-life obligations. For most oil and gas producers, this likely means all of their property.” A question to be considered later in these Reasons is whether Mantle, a gravel company, is any different than oil and gas companies like Redwater and Manitok.

[36] Whether assets of an oil and gas company other than oil and gas rights are unrelated assets was tested in *Trident*. Justice Neufeld in *Trident* was required to consider whether a receiver was required to allocate proceeds of the sale of assets, including “non-licensed assets such as real estate and equipment” (para 80) to satisfy environmental obligations in priority to municipal tax claims. Neufeld J took a pragmatic approach, refusing to get engaged in a debate over how to draw a line between related and unrelated assets of an oil and gas company. He concluded that because Trident had one business, oil and gas exploration and production, that all assets were related to the environmental obligation. He wrote at para 67:

I also find that the assets subject to the AER super priority are not limited to licenced oil and gas wells, pipelines and production facilities. Trident had certain real estate assets that were used for office or equipment storage and the like. However, Trident had only one business: exploration and production of oil and gas. It makes no sense to differentiate real estate assets from other assets used in that business, just as it made no sense in *Manitok* to carve out economic licensed assets from uneconomic ones. In either case, the result would be to undermine the policy purposes upon which the super priority principle is based.

[37] Neufeld J’s statement of the law in *Trident* is consistent with *Redwater* and *Manitok* though his application of the law breaks new ground. Whereas in *Redwater* and *Manitok*, it was held that all oil and gas assets should be treated as related to environmental obligations that attached only to some of the oil and gas assets, *Trident* extended this principle to other assets used in an oil and gas business even if they were not directly involved in oil and gas production (e.g. the real estate used to store equipment).

[38] None of the exceptions to the principle of horizontal *stare decisis* apply to *Trident*. The decision was fully considered, carefully reasoned, and has not been undermined by appellate

authority. That means that the question in the present case is whether Mantle's equipment subject to the Travelers security interest is analogous to the equipment and real estate in *Trident*.

[39] Warren Miller, Vice President of Structured Finance and Capital Markets at Travelers, deposed that it was his understanding that Mantle sought financing from Travelers so that it could "purchas[e] the equipment necessary to operate its business (instead of renting it)." Mr. Miller's Affidavit attached as part of an exhibit a Notice of Intention to Enforce Security which listed all Mantle's equipment that Travelers had financed. The descriptions include the following: Jaw Crushing Plant, Cone Crushing Plant, Screen Plant, Aggregate Feeder, Aggregate Surge Bin, Material Washer, Conveyor, Truck Scale, Articulated Dump Truck, Tracked Excavator, and the like. The equipment in which Travelers has a security interest appears to be part to Mantle's gravel production business.

[40] In my view, no sensible distinction can be made between the equipment and real estate in *Trident* and the equipment in the present case. The equipment over which Travelers has a security interest is as much a part of Mantle's gravel business as the equipment and real estate in *Trident* was a part of Trident's oil and gas business. Based on this factual finding, I am bound by the principle of horizontal *stare decisis* to follow *Trident*. In finding that the equipment in the present case is part of Mantle's gravel business, I make no comment on how in theory a line should be drawn between related and unrelated assets or even if a line should be drawn. As the Court of Appeal said in *Manitok*, that "can be left for another day."

[41] Travelers advanced policy arguments as to why it should not have to wait to realize upon its security until after Mantle completes the reclamation work required by the EPOs. Mantle and AEPA responded with policy arguments supporting the deferral of realization of all secured creditors, including Travelers, until after the satisfactory completion of the reclamation work. Given my conclusion that the equipment subject to the Travelers security interest is related to the assets to which Mantle's environmental obligations pertain in the sense that the equipment is used in gravel production, it is not necessary to explore these policy arguments.

[42] Though I decline to debate the wisdom of the policy of effectively subordinating secured creditors to environmental obligations in these Reasons, it is noteworthy that the evidential record shows that Travelers conducted due diligence prior to entering the financing arrangement with Mantle. Among the materials available to Travelers as part of that due diligence process were documents indicating the existence of Mantle's environmental reclamation obligations and the security posted by Mantle with AEPA. Prior to entering the financing arrangement, Travelers had the opportunity to assess the risk of doing business with Mantle, make an informed decision whether to do business with Mantle, and to negotiate a cost of borrowing that reflected the risk inherent in Mantle's business.

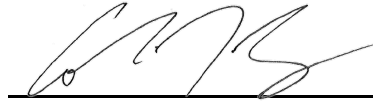
Conclusion

[43] The Travelers security interest in the equipment must be subordinated to the Restructuring Charges because the Restructuring Charges are necessary to the completion of the environmental remediation work that is an important part of the pending proposal. Travelers cannot realize on its security until the environmental reclamation work is completed to AEPA's satisfaction and the only way that such work can be done is with the support of the officers and directors of Mantle, lawyers and insolvency professionals, and the interim lender who are all protected by the Restructuring Charges.

[44] Paragraph 10 of the Order dated August 15, 2023 shall be amended to provide that the Restructuring Charges have priority over the Travelers security interest in the equipment identified in the Travelers security registration.

Heard on the 15th day of August, 2023.

Dated at the City of Calgary, Alberta this 28th day of August, 2023.



Colin C.J. Feasby
J.C.K.B.A.

Appearances:

Tom Cumming & Stephen Kroger, Gowling WLG
for Mantle Materials Group, Ltd.

Alexis Teasdale & Joel Schachter, Lawson Lundell LLP
for Travelers Capital Corp

Pantelis Kyriakakis, McCarthy Tétrault LLP
for the Proposal Trustee, FTI Consulting Canada Inc.

Doug Nishimura, Field LLP,
for Alberta Environment and Protected Areas

Darren Bieganek, Duncan Craig LLP
for 945441 Alberta Ltd

THIS IS EXHIBIT "X" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

B201 965622

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



APPLICANTS 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 (Amending Order of Justice Feasby dated August 15,
2023)**

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 / 403.298.1018
Fax: 403.263.9193
Email: tom.cumming@gowlingwlg.com /
sam.gabor@gowlingwlg.com /
stephen.kroeger@gowlingwlg.com
File No.: A1171561

DATE ON WHICH ORDER WAS PRONOUNCED: August 28, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Feasby in
Commercial Chambers

UPON THE APPLICATION of Mantle Materials Group, Ltd. filed August 8, 2023; **AND UPON** referring to the reasons for decision of the Honourable Justice Feasby dated August 28, 2023 having the citation *Re Mantle Materials Group, Ltd*, 2023 ABKB 488; **AND UPON** reading the Order of the Honourable Justice Feasby dated August 15, 2023 in these proceedings (the “**August 15 Order**”);

IT IS HEREBY ORDERED THAT:

Signature page to the Amended Order

AMENDMENT

1. Paragraph 10 of the August 15 Order shall be amended to read as follows:

“The Charges shall constitute a security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, deemed trusts, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person, including liens and trusts created by federal and provincial legislation (collectively, the “**Encumbrances**”), The ranking as between the Charges shall be as follows: (a) first, the Administration Charge; (b) second, the Interim Lender’s Charge; and (c) third, the D&O Charge.”

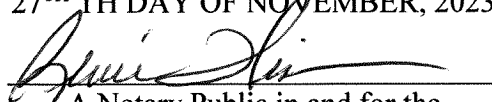
GENERAL

2. 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.



J.C.K.B.A.

THIS IS EXHIBIT "Y" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

B201-965622
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



MB

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

DOCUMENT **ORDER (Stay Extension)**

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

DATE ON WHICH ORDER WAS PRONOUNCED: September 22, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice M. J. Lema

UPON THE APPLICATION of Mantle Materials Group, Ltd. (“**Mantle**”), filed September 15, 2023; **AND UPON** reading Affidavit of Byron Levkulich, sworn September 15, 2023; **AND UPON** being advised that on July 14, 2023, Mantle filed a notice of intention to make a proposal 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 September 18, 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, counsel for

Travelers Capital Corp., counsel for Alberta Environment and Parks, counsel for ATB Financial 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.

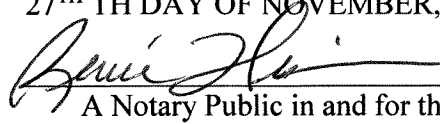
EXTENSION OF TIME TO FILE A PROPOSAL

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 November 13, 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.



J.C.K.B.A

THIS IS EXHIBIT "Z" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

In the Court of Appeal of Alberta

Citation: Mantle Materials Group, Ltd v Travelers Capital Corp, 2023 ABCA 302

Date: 20231023
Docket: 2301-0216AC
Registry: Calgary

Between:

Mantle Materials Group, Ltd

Respondent

- and -

Travelers Capital Corp

Applicant

**Reasons for Decision of
The Honourable Justice William T. de Wit**

Application for Permission to Appeal

**Reasons for Decision of
The Honourable Justice William T. de Wit**

Introduction

[1] Travelers Capital Corp (Travelers) applies for a declaration that leave is not required to appeal the August 28, 2023 decision of Feasby J or alternatively, applies for permission to appeal that same order.

[2] The respondent, Mantle Materials Group, Ltd. (Mantle), opposes the application and cross applies for a lifting of a stay in the event that leave is granted.

[3] Alberta Environment and Protected Areas (AEPA), the provincial ministry responsible for environmental issues, supports Mantle in opposing the application.

Facts

[4] This application arises in the context of Mantle's insolvency proceedings under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (*BIA*). Mantle operates gravel pits on lands both public and private, some of which are subject to Environment Protection Orders (EPO) issued by the AEPA.

[5] After conducting due diligence, Travelers financed Mantle's purchase of equipment for use in its operations and Mantle granted Travelers a purchase-money security interest over the equipment, and pursuant to an agreement, Travelers' security interest in the equipment was designated to have first priority. As of the date of this application, Mantle owes Travelers over \$1 million.

[6] Financial difficulties led Mantle to file a notice of intention to make a proposal under section 50.4 of the *BIA*. On August 15, 2023, Mantle was granted an order extending time to make a proposal. In addition, the order approved various charges on the bankrupt estate including the priority of those charges, and approval of the payment of certain pre-filing debts to creditors whose support is required to perform environmental reclamation work that will be integral to the pending proposal. The application was granted without prejudice with respect to the priority of the charges that Travelers holds over the equipment until the chambers judge released his reasons regarding Travelers' priority claim.

[7] Mantle's intended proposal will not allow payment to any creditors before Mantle has satisfied its end-of-life obligations stemming from EPOs. Mantle submits this is required by the Supreme Court of Canada decision known as *Redwater* or *Orphan Well Association v Grant Thornton Ltd*, 2019 SCC 5, which held the environmental remediation obligations must be satisfied prior to distributions to creditors.

[8] Travelers submitted that it has priority with respect to security in certain equipment and its ability to realize on its security should not be postponed until after the remediation work has been completed. Travelers takes the position that *Redwater* held that an end-of-life environmental obligation need only be satisfied using assets encumbered by or related to the end-of-life obligation. A creditor with security over assets unrelated to assets burdened with the environmental remediation obligation may realize on such security without delay.

[9] The chambers judge disagreed with Travelers and amended his August 15, 2023 order to provide that the various approved charges on the bankrupt's estate have priority over Travelers' security interest in the equipment. The reasons of the chambers judge can be found at *Re Mantle Materials Group, Ltd*, 2023 ABKB 488.

Is Leave Required?

[10] Travelers submits that leave to appeal is not required because section 193(c) of the *BIA* provides "an appeal lies to the Court of Appeal from any order or decision of a judge of the court . . . if the property involved in the appeal exceeds in value ten thousand dollars". As it is owed over \$1 million, Travelers submits it is entitled to appeal as of right.

[11] Travelers is required to obtain leave. Case authorities have held that section 193(c) is not satisfied simply where the value of the property exceeds \$10,000. In *Manitok Energy Inc (Re)*, 2022 ABCA 260 (*Manitok leave decision*), this court held that an appeal is not available under section 193(c) in situations where the order is procedural in nature (para 27). Where the order does not result in a gain or loss to an interested party, the order is procedural in nature: *Athabasca Workforce Solutions Inc v Greenfire Oil & Gas Ltd*, 2021 ABCA 66 at para 15; *Manitok leave decision* at para 30.

[12] Travelers has not filed evidence showing the value of the equipment at issue and has not shown that its recovery is in jeopardy. The order it seeks to appeal is an order extending time to make a proposal, approved various charges on the bankrupt estate, and approved payment of certain pre-filing debts. The order is procedural in nature and section 193(c) does not apply to give Travelers a right to appeal.

Test for Leave to Appeal

[13] As set out in *Athabasca* at paras 17-18, the following factors are considered on an application for leave to appeal under section 193(c) of the *BIA*:

- a) whether the point on appeal is of significance to the practice;

- b) whether the point raised is of significance to the action itself;
- c) whether the appeal is *prima facie* meritorious or frivolous; and
- d) whether the appeal will unduly hinder the progress of the action.

In addition, leave should only be granted if the judgment appears to be contrary to law, amounts to an abuse of judicial power or involves an obvious error, causing prejudice for which there is no remedy.

[14] The test essentially requires that the proposed appeal must be on a point of significance for which there is at least an arguable case. I find that is where the application fails.

[15] Travelers points to paragraph 159 in *Redwater*, where Wagner CJC for the majority stated that the Alberta Energy Regulator's orders and assessment of liability "did not seek to force Redwater to fulfill end-of-life obligations with assets unrelated to the environmental condition or damage".

[16] This court in *Manitok Energy Inc (Re)*, 2022 ABCA 117 (*Manitok*), viewed the situation in the appeal before it to be the same as in *Redwater* and at paragraph 31 explained *Redwater*:

The point is that the outcome of *Redwater* demonstrates that the Supreme Court of Canada did not treat Redwater's assets as falling into different pools. All of the oil and gas assets were treated collectively as being contaminated, and they all had to answer for the abandonment and reclamation obligations attached to the disclaimed assets. None of the other oil and gas assets were 'assets unrelated' to the other oil and gas assets. Manitok is in exactly the same position. The 'substantial assets' of Manitok are the same as the 'substantial assets' of Redwater.

[17] Whether in theory unrelated assets could not be called upon to satisfy environmental obligations did not have to be decided by this court given that all of Manitok's substantial assets were related to the environmental obligations. As this court stated at paragraph 36:

Redwater confirms that the proceeds of the sale of those assets must be applied first towards the satisfaction of abandonment and reclamation obligations. To the extent that there is any issue about it, the status of assets completely unrelated to the oil and gas business can be left for another day.

[18] Travelers argues that the unaddressed issue arises in its case because the equipment over which it has a secured interest was not affected by an environmental condition or damage and

therefore, it should not have to wait for Mantle to complete its environmental obligations before Travelers can realize upon its security.

[19] Travelers' proposed arguments on appeal ignore a basic principle arising from *Redwater* and reiterated in *Manitok* that abandonment and reclamation obligations are binding "on the bankrupt estate": *Redwater* at para 93, 98, *Manitok* at para 17. The obligation was not tied to the type of asset.

[20] In *Redwater* and *Manitok* all the assets were oil and gas assets and none were "assets unrelated" to the other oil and gas assets. Distinguishing oil and gas assets from non-oil and gas assets as "assets unrelated to the environmental condition or damage" was argued in *Manitok* and rejected by this court at paragraph 35:

One could read para 159 of *Redwater* as excluding resort to "unrelated" non-oil and gas assets to cover abandonment and reclamation costs. However, as was pointed out by the Orphan Well Association, the reasons in *Redwater* refer repeatedly to the "assets of the estate", without drawing any such distinction: see for example *Redwater* at paras 76, 102, 107, 114. Further, there is no clear boundary between licensed assets and other assets. For example, the sale to Persist (like many similar sales) included not only licensed assets but oil and gas rights, royalty rights, intellectual property, seismic data, vehicles and other chattels. *Redwater* gives no support to the municipalities' argument.

[21] Travelers is in no different position in its proposed appeal. As the chambers judge found, the equipment in which Travelers has a security interest is part of Mantle's gravel production business: "Jaw Crushing Plant, Cone Crushing Plant, Screen Plant, Aggregate Feeder, Aggregate Surge Bin, Material Washer, Conveyor, Truck Scale, Articulated Dump Truck, Tracked Excavator, and the like" (para 39 and see paras 40-41). These are "vehicles and other chattels" as referred to in *Manitok* quoted above. Moreover, the equipment is being used in the reclamation efforts. Mantle is not an oil and gas company but that distinction does not change the application of the reasons in *Redwater* or *Manitok*. Mantle's only business is gravel production. It has no assets unrelated to those operations. While the question of what are "assets unrelated to the environmental condition or damage" and the policy concerns related to financing businesses that have environmental obligations are significant matters, they are not arguable on the facts of this case.

[22] Additionally, Travelers cannot satisfy the factor that an appeal will not unduly hinder the progress of the action. Section 195 of the *BIA* automatically stays proceedings until an appeal is disposed of. Staying the proceedings would cause significant harm to Mantle as it is required to complete the EPOs by November 1, 2023, and it cannot continue once winter freeze sets in.

Conclusion

[23] The application for leave to appeal is dismissed. As leave has not been granted, there is no need for Mantle's cross-application.

Application heard on October 18, 2023

Reasons filed at Calgary, Alberta
this 23rd day of October, 2023



A handwritten signature in black ink, appearing to be "de Wit J.A.", written over a horizontal line. The signature is stylized and cursive.

de Wit J.A.

Appearances:

T.S. Cumming

S.J. Kroeger

for the Respondent

A.E. Teasdale

for the Applicant

T.A. Batty

for Alberta Environment and Protected Areas

P. Kyriakakis

for the Proposal Trustee

THIS IS EXHIBIT "AA" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

In the Court of Appeal of Alberta

Citation: Mantle Materials Group, Ltd v Travelers Capital Corp, 2023 ABCA 339

Date: 20231127

Docket: 2301-0216AC

Registry: Calgary

Between:

Mantle Materials Group, Ltd.

Respondent

- and -

Travelers Capital Corp.

Applicant

**Reasons for Decision of
The Honourable Justice William T. de Wit**

Application for Permission to Appeal

**Reasons for Decision of
The Honourable Justice William T. de Wit**

[1] On October 23, 2023, I held that the applicant, Travelers Capital Corp, required leave to appeal an order in an insolvency proceeding and dismissed its application for leave. The reasons are found at *Mantle Materials Group, Ltd v Travelers Capital Corp*, 2023 ABCA 302. The applicant now seeks permission to appeal the term of the order holding that the applicant did not have an appeal as of right pursuant to section 193(c) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (BIA).

[2] For the reasons that follow, permission to appeal is denied.

[3] Permission to appeal a decision of a single justice can be granted if the applicant establishes that there is “(a) a question of general importance; (b) a possible error of law; (c) an unreasonable exercise of discretion; or (d) a misapprehension of important facts”: *Settlement Lenders Inc v Blicharz*, 2016 ABCA 109 at para 1. The fundamental hurdle is to show it is in the interests of justice to have a panel review of the single judge’s decision: *Al-Ghamdi v Alberta*, 2016 ABCA 403 at paras 10-12. Permission to review a single judge’s decision should be rare and permitted “only if there is a *compelling reason* to require the applicant and the respondent to reargue and three judges of the Court of Appeal to decide an issue”: *Ouellette et al v Law Society of Alberta*, 2021 ABCA 283 at para 14 [emphasis in original].

[4] The background facts are set out in my earlier reasons and in the reasons of the chambers judge found at *Re Mantle Materials Group, Ltd*, 2023 ABKB 488 and will not be repeated here.

[5] The applicant submits that I erred in applying earlier decisions of this court which held that section 193(c) of the BIA is not simply satisfied where the value of the subject property exceeds \$10,000; the section does not apply to procedural orders; and the section does not apply to orders where loss is speculative and not crystallized. More specifically, the applicant submits I erred in finding that the chambers judge’s order was procedural in nature and misunderstood the evidence showing that it has suffered a loss or risk of loss of more than \$10,000.

[6] I disagree. First, the chambers order was properly characterized as a procedural order. As the chambers judge explained, the matter before him involved an extension of time for the respondent, Mantle Materials Group, Ltd, to make a proposal pursuant to the BIA, approval of various charges on the bankrupt estate including the priority of those charges, and approval of the payment of certain pre-filing debts to creditors whose support is required to perform environmental reclamation work that will be integral to the pending proposal. The chambers order did not contain “some element of a final determination of the economic interests of a claimant in the debtor” as this court held was required for section 193(c) to apply: *Manitok Energy Inc (Re)*, 2022 ABCA 260 at para 30, citing *2403177 Ontario Inc v Bending Lake Iron Group Limited*, 2016 ONCA 225 at para 61; and see also, *Trimor Mortgage Investment Corporation v Fox*, 2015 ABCA 44. Unless

the respondent performs work on its gravel pits and performs restructuring work including collecting accounts receivable, negotiating with creditors, paying post filing trade debt and prepare a proposal or plan distributions, there is no element of final determination as there is no crystallization or determination of the value of loss.

[7] Second, the loss of more than \$10,000 was speculative. The applicant asserts that it in the absence of the chambers order, it would likely recover all of its indebtedness. This is not evidence that the loss is crystallized, but merely speculation of a risk of loss. The mere possibility of a future loss does not satisfy section 193(c).

[8] Nor has the applicant shown evidence from which loss can be calculated. It submits that the risk of loss arises from the BIA charges securing amounts in priority to its own security. But the applicant did not file any valuation of the equipment its loan secures. The fact that other claims rank in priority is not evidence of a loss, but, again, is speculation.

[9] As many decisions have noted, section 193(c) of the BIA performs a gatekeeping function. Permitting appeals as of right based on speculative loss would undermine that function and the general purpose of the BIA “to ensure bankruptcy proceedings are administered efficiently and expeditiously”: *Manitok* at para 26, quoting *Athabasca Workforce Solutions Inc v Greenfire Oil & Gas Ltd*, 2021 ABCA 66 at para 8.

[10] As the applicant has not persuaded me of a possible error of law or misapprehension of the facts, it cannot show an appeal would involve a question of general importance. Permission will not be granted where an applicant seeks “an opportunity to have a panel consider more fulsome arguments and re-weigh the evidence to come to a different conclusion”: *Midland Resources Holding Limited v Shtaif*, 2022 ABCA 7 at para 30.

[11] Additionally, as I am not persuaded of a possible error of law or evidence, the applicant cannot show that the proposed appeal would have a reasonable chance of success, which may also be considered in whether to grant permission to appeal: *Ouellette* at para 19.

[12] The applicant submits there is precedential value to an interpretation of section 193(c) but in this case, the issues on any further appeal would remain a question of the evidence and the nature of the chambers order, not the proper interpretation of section 193(c). There would be no precedential value to have a panel determine if an order granting an interim financing charge in priority to other secured creditors is a procedural order or whether the evidence amounts to more than speculation.

[13] Finally, the applicant cannot show it is in the interests of justice to permit an appeal. An appeal would result in a stay of the chambers order, which would delay the respondent’s reclamation work and risk not completing that work, which in turn would delay distribution to creditors. This would prejudice not only the respondent, but all its creditors.

[14] This application is dismissed.

Written submissions filed on November 2 and 17, 2023

Reasons filed at Calgary, Alberta
this 27th day of November, 2023



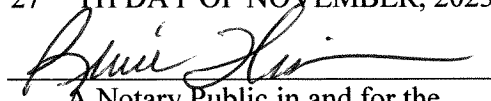

_____ de Wit J.A.

Appearances:

R. Zahara
M. McIntosh
 for the Applicant

T. Cumming
C.E. Hainert
A.J. Gray
 for the Respondent

THIS IS EXHIBIT "BB" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

August 1, 2023

Cory Pichota on behalf of Mantle Materials Group Inc.
(cory.pichota@mantlegroup.ca)

Jeffrey Buck in his personal capacity and on behalf of 2161889 Alberta Ltd.
(jeffbuckjmb@gmail.com)

Byron Levkulich in his personal capacity, on behalf of 2161889 Alberta Ltd. and on behalf of Mantle Materials Group, Inc.
(Byron.LevKulich@rlholdings.com)

Aaron Patsch in his personal capacity on behalf of 2161889 Alberta Ltd. and on behalf of Mantle Materials Group, Inc.
(Aaron.patsch@rlholdings.com)

Lisa Ball in her personal capacity, on behalf of 2161889 Alberta Ltd and on behalf of 541466
(lball@jlgball.com)

Robert Beaverford in his personal capacity
(52547 RR 223 Sherwood Park, AB T8A 4P7)

George Shandro in his personal capacity
(Box 7556 Bonnyville, AB T9N 2H8)

Dear Mr. Pichota, Mr. Buck, Mr. Levkulich, Mr. Patsch, Ms. Ball, Mr. Beaverford, Mr. Shandro:

Subject: Environmental Obligations under Orders issued under the Environmental Protection and Enhancement Act and the Water Act

As you may be aware, Mantle Material Group Ltd. (“Mantle”) commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal (“NOI”), pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*. The Notice of Intention has been provided for easy reference.

Environmental Obligations under the Orders

While EPA is encouraged to note that Mantle intends to continue operations during the restructuring process, I am writing to you to remind all parties of their obligations under the orders listed below (“Orders”) to which they are parties.

Depending on the order and the remedial plan approved by EPA, ongoing work on both public and private land was scheduled to start on May 15 and is to be completed by November 1, 2023.

Orders on Public Land

1. Environmental Protection Order No. EPO-EPEA-35659-07 (SML 060060), as amended, which was issued jointly and severally to Mantle Materials Group, Ltd., Byron Levkulich, Aaron Patsch, Jeffrey Buck, Lisa Ball, 541466 Alberta Ltd., Robert W. Beaverford,
2. Enforcement Order No. EO-WA-35659-01 (SML 060060), as amended, which was issued jointly and severally to Mantle Materials Group, Ltd., Byron Levkulich, Aaron Patsch, Jeffrey Buck, Lisa Ball, 541466 Alberta Ltd., Robert W. Beaverford.
3. Environmental Protection Order No. EPO-EPEA-35659-08 (SML930040), as amended, which was issued jointly and severally to JMB Crushing Systems Inc.; Byron Levkulich.; Aaron Patsch, George Shandro.
4. Environmental Protection Order No. EPO-EPEA-35659-09 (SML 980116), as amended, which was issued jointly and severally to JMB Crushing Systems Inc.; Byron Levkulich.; Aaron Patsch.
5. Environmental Protection Order No. EPO-EPEA-35659-10 (SML 120027) as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.
6. Environmental Protection Order No. EPO-EPEA-35659-01 (MacDonald), as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.

Orders on Private Land

7. Environmental Protection Order No. EPO-EPEA-35659-02 (Megley), as amended, which was issued to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.
8. Environmental Protection Order No. EPO-EPEA-35659-03 (Kucey), as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.
9. Environmental Protection Order No. EPO-EPEA-35659-05 (Buksa), as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.
10. Environmental Protection Order No. EPO-EPEA-35659-06 (O'Kane), as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.

EPA has previously provided to all parties a copy of the remedial plan approved by EPA that includes an implementation schedule with start dates and completion dates associated with each of the Orders listed above. However, if any party would like to discuss any of the Orders, please contact the undersigned at Heather.Dent@gov.ab.ca.

Sincerely,

A handwritten signature in blue ink that reads "Heather Dent".

Heather Dent
Compliance Manager

cc:

Maxwell Harrison, EPA
(Maxwell.Harrison@gov.ab.ca)

Nathan Polturak, EPA
(Nathan.Polturak@gov.ab.ca)

July 19, 2023

To: All Known Creditors of Mantle Materials Group Ltd. (the “Company”)

We are writing to advise you that on July 14, 2023, the Company commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal (“NOI”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (“BIA”). A copy of the NOI and preliminary listing of creditors is attached. FTI Consulting Canada Inc. (“FTI”) has been appointed as the Trustee under the NOI (“Trustee”).

Although the NOI proceeding is pursuant to the BIA, it is important to note that the Company is not bankrupt and intends to continue operating during the proceedings.

At present, creditors are not required to file a proof of claim. The Trustee will provide you with further information and a proof of claim form, if necessary, at a later date.

During the proceedings:

- No person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with Company, by reason only that the Company is insolvent or by reason of filing of the Notice of Intention, pursuant to Section 65.1(1) of the BIA;
- No creditor has any remedy against the Company or its property, or shall commence or continue any action, or other proceedings against the Company pursuant to Section 69.1(1) of the BIA; and
- Suppliers should discuss directly with their usual Company contact the terms of payment for goods and/or services that they provide to the Company.

Further information with respect to these proceedings will be made available on the Trustee’s website:

<http://cfcanada.fticonsulting.com/mantle/>

If you have any questions after speaking with your contact at the Company, please contact a representative of the Trustee, Brandi Swift at (403) 454-6038 or via email: brandi.swift@fticonsulting.com

Regards,



FTI CONSULTING CANADA INC.

Trustee under the Notice of Intention to make
A proposal of Mantle Materials Group Ltd.

Encl.

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

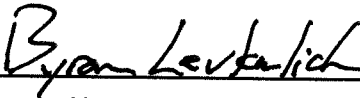
- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Mantle Materials Group Ltd.
of the city of Calgary
in the Province of Alberta

Take notice that:

1. I, Mantle Materials Group, Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. FTI Consulting Canada Inc. of Suite 1610, 520 - 5th Ave S.W., Calgary, AB, T2P 3R7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Calgary in the Province of Alberta, this 14th day of July 2023.



Mantle Materials Group, Ltd.
Byron Levkulich, Director

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Alberta
 Division No. 02 - Calgary
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Mantle Materials Group Ltd.
 of the city of Calgary
 in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
302016 Alberta Ltd.	15208 - 65 Street Edmonton AB T5A 2E3		5,494.15
Absolute Multicorp Ltd.	Box 1980 Cold Lake AB T9M 1P4		18,719.36
Accurate Scale Industries Ltd.	16815 - 129 Avenue Edmonton AB T5V 1L2		1,815.19
Alberta Auto FinancE ltd.	Finance Lease 11145, 11146 6103 130 Ave SE Calgary AB T2Z 5E1		55,233.05
ATB Financial	ATB Place, 2100 – 10020 100 St NW Edmonton AB T5J 0N3		16,420.29
Athabasca County	3602 - 48 Avenue Athabasca AB T9S 1M8		1,309.34
Bonnie's Equipment Services	Box 6113 Bonnyville AB T9N 2G7		43,216.50
Bonnyville Jr. A Pontiacs	PO Box 5554 Bonnyville AB T9N 2G6		2,000.00
CAFO Inc.	10025 - 106 St NW, Ste 604, Baker Centre Edmonton AB T6X 1Z6		50,976.18
Cortex Management Inc.	6400 - 30 Street NW E Edmonton AB T6P 1J6		6,491.10
Cougar Fuels Ltd.	5602 - 54 Avenue Bonnyville AB T9N 2N3		911.32
CPP Environmental	#154, 150 Chippewa Road Sherwood Park AB T8A 6A2		3,023.22
De Lage Landen	3450 Superior Court Unit 1 Oakville ON L6L 0C4		4,418.53
Deloitte Management Services LP	c/o T04567C PO Box 4567 Stn A Toronto ON M5W 0J1		16,852.50

District of: Alberta
 Division No. 02 - Calgary
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Mantle Materials Group Ltd.
 of the city of Calgary
 in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Diversity Construction Inc.	Box 7606 Bonnyville AB T9N 2H9		10,234.36
Diversity Equipment Rentals & Sales Ltd.	Box 6113 Bonnyville AB T9N 2G7		100,418.85
Elrus Aggregate Systems	4409 Glenmore Trail SE Calgary AB T2C 2R8		16,940.44
Enterprise Fleet Management	PO Box 9473 STN A Toronto ON M5W 4E1		2,501.40
FAAN Advisors Group Inc.	20 Adelaide Street East , Suite 920 Toronto ON M5C 2T6		16,126.95
Fiera Private Debt Fund	Tranche A, B, D 20 Adelaide Street East Suite 1500 Toronto ON M5C 2T6		8,430,020.63
Harvey Yadlowski	RR 2 Andrew AB T0B 0C0		10,555.38
Havener, Gail	Box 608 E Elk Point AB T0A 1A0		1,077.61
Havener, Helen (Estate of)	Box 932 Coronation AB T0C 1C0		1,077.61
Kudo Energy Services Inc.	Box 7338 Bonnyville AB T9N 2H7		3,412.50
Lafarge Canada Inc.	P.O. Box 4091 Postal Sation "A" Toronto ON M5W 5K4		35,814.99
Location Cats Heavy Equipment	Box 1275 St. Paul AB T0A 3A0		71,065.05
Machinery Supply	100 E Lake Drive NE Airdrie AB T4A 2K1		9,309.30
MD of Bonnyville No.87	4905 - 50 Ave Bag Service 1010 Bonnyville AB T9N 2J7		414.00

District of: Alberta
 Division No. 02 - Calgary
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)


In the Matter of the Proposal of
 Mantle Materials Group Ltd.
 of the city of Calgary
 in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MicroAge (The Computer Cache St. Paul) Ltd.	Box 1810 St. Paul AB T0A 3A0		8,355.34
Mistol Seeds	5910 57 Street St. Paul AB T0A 3A0		4,158.00
North Country Co-Op	Box 30 Plamondon AB T0A 2T0		2,349.28
Pathward (Crestmark)	5501 South Broadband Lane Sioux Falls SD 57108 USA		509,146.27
PetroCanada SuperPass	PO Box 8500 Don Mills ON M3C 3B2		5,871.98
RLF Lender Canada Limited	1400 16th Street, Suite 320 Denver CO 80202 USA		1,779,614.16
Seven Lakes Oilfield Services Corp.	Box 779 Cold Lake AB T9M 1P2		1,423.51
Smoky Lake County	Box 310 Smoky Lake AB T0A 3C0		17,438.66
SMS Equipment Inc.	16116 111 Ave Edmonton AB T5M 2S1		8,174.49
TD Visa	4747 Cory Pichota Payable; 6713 Tenille Paul Payable TD Tower, 10088-102 Avenue NW, Suite #2601 Edmonton AB T5J 2Z1		8,652.61
Thorhild County	Box 10 Thorhild AB T0A 3J0		4,891.93
Travelers Financial Group Limited	Equipment Debt 400 - 4180 Lougheed Highway Burnaby BC V5C 6A7		1,065,474.64
WSP E&I Canada Limited	c/o Lockbox 920990 P.O. Box 4090 STN A Toronto ON M5W 0E9		6,388.20
Total			12,357,788.87

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Mantle Materials Group Ltd.
of the city of Calgary
in the Province of Alberta



Mantle Materials Group, Ltd.
Byron Levkulich, Director

**CONSENT TO ACT AS TRUSTEE UNDER A PROPOSAL
SECTION 50.4(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT (CANADA)***

TO: Mantle Materials Group Ltd. (the “Company”)

THE UNDERSIGNED, **FTI CONSULTING CANADA INC.**, consents to acting as trustee under a proposal to be filed by the Company, pursuant to Part III, Division I of the Bankruptcy and Insolvency Act (Canada).

Dated this 14th day of July, 2023

FTI CONSULTING CANADA INC.

Per:



Dustin Olver
Senior Managing Director



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2965622
Estate No. 25-2965622

In the Matter of the Notice of Intention to make a proposal of:

Mantle Materials Group, Ltd.

Insolvent Person

FTI CONSULTING CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

July 14, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: July 17, 2023, 10:38

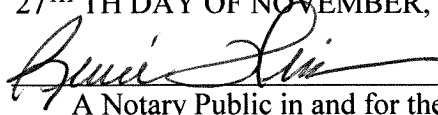
E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

THIS IS EXHIBIT "CC" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025



CONTRACT TO AUCTION

DATED (dd/mm/yyyy), 31/10/2023

BETWEEN:

Ritchie Bros. Auctioneers (Canada) Ltd., having its head office at 9500 Glenlyon Parkway, in the City of Burnaby, in the Province of British Columbia, V5J 0C6

Web Site: www.rbauction.com

(the “**Auctioneer**”)

OF THE FIRST PART

AND:

Mantle Materials Group Ltd, having a place of business at Po Box 6977, Bonnyville, AB, Canada T9N 2H4

Telephone No. 1 (587) 991-8440

E-Mail Address: cory.pichota@mantlegroup.ca

(the “**Owner**”)

OF THE SECOND PART

TERMS AND CONDITIONS OF THIS CONTRACT

Agreement

For valuable consideration, the above parties enter into this Contract (the “**Contract**”) which sets out their respective rights, obligations and undertakings regarding the sale by unreserved public auction of all those items described on **Schedule “A”** attached hereto (the “**Equipment**”).

1. AUCTIONEER’S OBLIGATIONS AND RESPONSIBILITIES

1.1 Sale Date

Subject to the satisfaction or waiver of the conditions precedent in sections 4.1(a) and 4.2(a), the Auctioneer shall, as agent of the Owner, offer the Equipment, together with any

Owner Initials	
DS CP	DS EB

additional items delivered by the Owner to the auction site, for sale at unreserved public auction on or about 13/12/2023 to 15/12/2023 (dd/mm/yyyy), at 1500 Sparrow Dr Nisku Alberta T9E 8H6.

1.2 Payment

The Auctioneer shall make payment to the Owner within 21 days after the auction, the amount due and owing to the Owner from monies collected from the sale of the Equipment after making all deductions permitted under this Contract.

1.3 Guarantee

The Auctioneer guarantees to the Owner that the minimum gross proceeds of the sale of the Equipment shall be [REDACTED]

1.4 Commission

The Auctioneer shall be entitled to the following commission payable at the time of the auction:

- (a) [REDACTED] of the guaranteed minimum gross proceeds set out in section 1.3; and
- (b) any proceeds realized from the sale of the Equipment in excess of the guaranteed minimum gross proceeds shall be divided:

	Proceeds Value	Auctioneer	Owner
Firstly	[REDACTED]	[REDACTED]	[REDACTED]
And Then, Remaining Proceeds		[REDACTED]	[REDACTED]

1.5 Other

Subject to the conditions in section 4.1(a) being satisfied or waived, the Auctioneer shall:

- (a) conduct marketing of the Equipment;
- (b) arranging for the transport of the Equipment to the auction site;
- (c) upload details of the Equipment to the Auctioneers web sites (rbaction.com and IronPlanet.com) together with photos taken of the Equipment during the Auctioneer’s inspection;
- (d) advertise in local and industry-specific print and online publications and use search engine optimization to reach the widest audience of potential buyers; and
- (e) conduct direct mail and email campaigns to target select individuals from its database of customers in approximately 190 countries (by industry, region and buying preferences);

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- (f) carry out and manage all aspects of the on-site preparation and organization of the Equipment for the auction and mobilize its employees to carry out such work;
- (g) catalogue and photograph the Equipment for posting on its web site and other marketing channels, including providing listing catalogs of the lots offered for sale to potential buyers at the auction;
- (h) carry out comprehensive, integrated print and online marketing of the auction and Equipment;
- (i) organize and manage site visits and inspections of the assets by potential bidders;
- (j) enable on-site and real-time online bidding on auction day;
- (k) supply all managerial, labor, accounting and auction day personnel;
- (l) provide all on-site and auction day customer amenities including restroom facilities, first aid attendants and convenient buyer services;
- (m) provide auctioneers and accountants required for an auction of this type;
- (n) invoice and collect auction proceeds in accordance with the Auctioneer's standard auction terms;
- (o) provide detailed post-auction settlement reporting and allow the Owner access to records concerning the sale of the Equipment at the auction, excluding the names or contact information of the buyers thereof; and
- (p) collect and remit Federal and Provincial sales tax arising upon the sale of the Equipment at the auction.

1.6 Sale Site

The Auctioneer shall provide, at no cost to the Owner, a suitable site for conduct of the auction.

2. REPRESENTATIONS AND WARRANTIES

2.1 Title and Condition

The Owner hereby represents and warrants in favour of the Auctioneer that:

- (a) the Owner is a valid and subsisting corporation under the laws of Alberta and is authorized to carry on business in Alberta;
- (b) subject to the satisfaction of the conditions in sections 4.1(a)(i) and 4.1(a)(ii), the Owner has complied with all laws necessary to allow the sale of the Equipment;

Owner Initials	
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- (c) subject to the satisfaction of the conditions in sections 4.1(a)(i) and 4.1(a)(ii), the Owner has duly authorized, executed and delivered this Contract;
- (d) the Equipment is owned by the Owner, subject only to those Encumbrances listed on Schedule "B" attached;
- (e) subject to the satisfaction of the conditions in sections 4.1(a)(i) and 4.1(a)(ii), the Equipment will be, at the date of the auction, transferred and conveyed to purchasers free and clear of any and all Encumbrances;
- (f) the Equipment is in good operating condition, free of material defects, except as disclosed to the Auctioneer;
- (g) the description of the Equipment is accurately set forth on Schedule "A" attached, and in the case of all motor vehicle Equipment, such Equipment has never been rebuilt or salvaged except as disclosed to the Auctioneer;
- (h) all odometer and hour meters on the Equipment reflect actual mileage or usage unless otherwise disclosed to the Auctioneer on Schedule "A";
- (i) the offering for sale, advertising or selling of the Equipment will not contravene or infringe upon any patent, copyright, trademark, agreement or similar right of any third party; and
- (j) the Owner is not and will not at the date of the auction be a non-resident of Canada within the meaning and intent of section 116 of the *Income Tax Act* (Canada).

2.2 Auctioneer's Representations and Warranties

The Auctioneer hereby represents and warrants in favour of the Owner that:

- (a) the Auctioneer is a valid and subsisting corporation under the laws of the jurisdiction of its incorporation and is authorized to carry on business in Alberta;
- (b) the Auctioneer has duly authorized, executed and delivered this Contract; and
- (c) the Auctioneer has in place all necessary governmental and other regulatory permits and approvals for entering into this Contract and conducting the auction;

3. OWNER'S OBLIGATIONS AND RESPONSIBILITIES

3.1 Refurbishing

Subject to the conditions in section 4.1(a) being satisfied or waived, the Owner shall:

- (a) weld, sandblast, paint, clean, and refurbish (the "Refurbishing"), prior to the auction, the Equipment to a standard acceptable to the Auctioneer, provided that at the request of the Owner, the Auctioneer shall organize and pay for the

Owner Initials	
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Refurbishing of any part of the Equipment, in which event the Auctioneer shall be reimbursed for these costs plus [REDACTED] provided that the total cost shall not exceed [REDACTED] without written authorization from the Owner; and

- (b) reimburse the Auctioneer for the cost of fuel and batteries as the Auctioneer deems necessary for demonstration and sale of the Equipment.

3.2 Delivery

- (a) Subject to the conditions in section 4.1(a) being satisfied or waived, the Owner shall deliver the Equipment, at the Owner’s cost, to the auction site on or before 15/11/2023 (dd/mm/yyyy):

- (i) in good operating condition, free of material defects except as disclosed to the Auctioneer, with adequate fuel and batteries and starting at the key;
- (ii) free of hazardous materials other than normal operating fuels, oils, and lubricants; and
- (iii) in a condition equivalent to or better than its condition when viewed by the Auctioneer’s representative on or about 20/09/2023 (dd/mm/yyyy);

together with all documents evidencing Owner’s title, and/or necessary to transfer title, to the Equipment, properly endorsed.

- (b) The Auctioneer shall be reimbursed for the reasonable costs of transportation of the Equipment to the auction site plus [REDACTED], provided that the total cost shall not exceed [REDACTED] without written authorization from the Owner.
- (c) The Owner hereby assigns Power of Attorney to the Auctioneer for the limited purpose of executing on the Owner’s behalf, all documents required to transfer title to, and permit registration or ownership of, any part of the Equipment by the purchaser thereof.

3.3 Searching and Title Document

- (a) The Owner authorizes the Auctioneer to conduct searches, at the Owner’s cost, or use other means available, as deemed necessary by the Auctioneer for the disclosure of Encumbrances, and contact creditors to determine amounts claimed against the Equipment, however in no case shall the Auctioneer have a duty to conduct such searches, nor be responsible for the result thereof; and
- (b) the Owner shall pay a document administration fee of CAD 115.00 per unit for each item of Equipment requiring title or registration documents that are provided by the Auctioneer.

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3.4 Risk of Loss, Insurance

Subject to the conditions in section 4.1(a) being satisfied or waived, the Owner shall:

- (a) be responsible for loss or damage to the Equipment, other than loss or damage arising as a result of the negligence of the Auctioneer, its agents or employees, until the earliest of:
 - (i) the removal of the Equipment from the auction site by the purchaser; or
 - (ii) receipt by the Owner of all proceeds from the sale of the Equipment;
- (b) insure the Equipment, with the Auctioneer as additional insured, to its fair market value against all perils so that in the event of damage to, or destruction of, the Equipment or any part thereof, all insurance proceeds shall be credited to the gross proceeds of the auction and payment made to the Auctioneer forthwith for all deductions permitted by this Contract; and
- (c) upon request, provide Auctioneer with a copy of the insurance certificate, or other documentation evidencing the Auctioneer as an additional insured, to the satisfaction of the Auctioneer.

3.5 Indemnity

Subject to the conditions in section 4.1(a) being satisfied or waived, the Owner shall defend, indemnify and save the Auctioneer, its parents, subsidiaries and affiliates, and each of their officers, directors, shareholders, employees, and agents, harmless against any and all claims, demands, suits, actions, causes of action, damages, costs or charges whatsoever arising from:

- (a) any breach of the representations, warranties or covenants set out herein;
- (b) hazardous materials associated with the Equipment or contamination resulting from any leakage, spills, or malfunction of the Equipment;
- (c) failure by the Owner to comply with any laws relating to the Owner's right to sell the Equipment;
- (d) deficiencies in the provision of documents required for the purpose of titling or registering any part of the Equipment by any purchaser thereof;
- (e) any deficiency in the compliance with applicable environmental and/or safety laws, rules or regulations; and
- (f) any infringement of a patent, copyright, trademark, agreement or similar right of any third party caused by the offering for sale, advertising or sale of any part of the Equipment.

Owner Initials	
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3.6 No Buybacks, Unreserved Auction Sale

Subject to the conditions in section 4.1(a) being satisfied or waived:

- (a) the Owner shall not bid, directly or indirectly, nor allow any other person to bid on the Owner's behalf or for the Owner's benefit, by agency or otherwise, on the Equipment or any part thereof at the auction and
- (b) the Owner acknowledges the auction is unreserved and the Auctioneer shall have no obligation or duty to withdraw the Equipment or any part thereof from the auction sale or to cancel the auction. The Equipment shall be sold to the highest bidder on the date of the auction.

3.7 Specific Performance

Subject to the conditions in section 4.1(a) being satisfied or waived, the Owner shall not withdraw the Equipment or any part thereof from the auction sale. If the Owner is in breach of this provision within forty (40) days prior to the auction, then in addition to any other remedies set out in this Contract, the parties hereto agree:

- (a) the damages to the Auctioneer's business reputation and customer relations are not readily ascertainable;
- (b) available remedies at law are not adequate in the event of breach; and
- (c) the Auctioneer may not be made whole solely by monetary recompense;

therefore, the Auctioneer may elect, at its sole option, to apply for an order for specific performance of this Contract and the Owner hereby waives all rights to object to such application.

3.8 Other

Subject to the conditions in section 4.1(a) being satisfied or waived, the Owner shall:

- (a) comply with all legislation, regulations, or requirements of any authority of competent jurisdiction relating to the sale of the Equipment; and
- (b) be responsible for the payment of any tax or duty whatsoever that may legally be construed as being the responsibility of the Owner.

4. CONDITIONS PRECEDENT

4.1 Owner's Conditions Precedent

- (a) The obligations of the Owner under this Contract are subject to the satisfaction or waiver of the following conditions precedent:

Owner Initials	
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- (i) the Court of King's Bench of Alberta (the "**Court**") shall have issued an Order (the "**Approval Order**") approving this Contract and, effective upon a purchaser paying to the Auctioneer the purchase price for an item of Equipment, vesting all the right, title and interest of the Owner in and to the Equipment free and clear of any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**", and individually, an "**Encumbrance**");
 - (ii) there shall not be any appeal of, or application to set aside, stay, vary or amend the Approval Order which has not been abandoned or dismissed;
 - (iii) all representations and warranties of the Auctioneer shall be true in all material respects; and
 - (iv) the Auctioneer shall have duly executed and delivered this Contract.
- (b) Each of the conditions in section 4.1(a) has been inserted for the benefit of the Auctioneer, and may, without prejudice to any rights of the Auctioneer hereunder, be waived by notice in writing to the Owner.

4.2 Auctioneer's Conditions Precedent

- (a) The obligations of the Auctioneer under this Contract are subject to the satisfaction or waiver of the following conditions precedent:
 - (i) the Court shall have issued the Approval Order;
 - (ii) there shall not be any appeal of, or application to set aside, stay, vary or amend the Approval Order which has not been abandoned or dismissed;
 - (iii) all representations and warranties of the Owner shall be true in all material respects;
 - (iv) the Owner shall have duly executed and delivered this Contract; and
- (b) Each of the conditions in section 4.2(a) has been inserted for the benefit of the Auctioneer, and may, without prejudice to any rights of the Auctioneer hereunder, be waived by notice in writing to the Owner.

Owner Initials	
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5. MUTUAL AGREEMENTS

5.1 Timeliness

Time is of the essence of this Contract.

5.2 Waiver

A waiver by either party of any breach of any of the provisions herein shall be limited to such particular instance and shall not operate as a waiver of, or be deemed to waive, any other or future breaches of the same or any other provisions hereof.

5.3 Legal Costs

Should either party be required to participate in any action or proceeding in respect of this Contract, the prevailing party shall be entitled to recover all costs, including attorney's fees, incurred as a result thereof.

5.4 Prohibition of Pre-Sale

Subject to the conditions in section 4.1(a) being satisfied or waived, neither the Auctioneer nor the Owner shall sell or offer for sale any part of the Equipment prior to the auction without the written permission of the other.

5.5 Default by Owner

- (a) Subject to the conditions in section 4.1(a) being satisfied or waived, if:
- (i) the Owner withdraws or fails to timely deliver the Equipment or any part thereof or any documents required hereunder, or if the auction sale does not occur as a result of the actions or inaction of the Owner; or
 - (ii) the Owner, directly or indirectly, bids or permits another to bid on the Owner's behalf or for the Owner's benefit, on the Equipment or any part thereof at the auction; or
 - (iii) the Owner's representations and warranties set out in Section 2 hereof are not true, complete and correct in all respects;

then:

- (iv) any damages suffered by the Auctioneer shall be deducted from the guarantee of minimum gross proceeds from the sale of the Equipment;
- (v) commissions shall be payable to the Auctioneer upon demand, based upon the fair market value of any withdrawn or undelivered parts of the Equipment as if they had been sold;

Owner Initials	
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- (vi) any advances made by the Auctioneer to the Owner together with accrued interest shall become due and repayable immediately; and
 - (vii) the Owner will upon demand, reimburse the Auctioneer for all out-of-pocket expenses incurred in preparation for the auction.
- (b) Subject to the conditions in section 4.1(a) being satisfied or waived, if, as a result of the actions or inactions of the Owner, the Auctioneer’s guarantee of minimum gross proceeds from the sale of the Equipment is unenforceable, the commission rate to be paid by Owner to the Auctioneer shall be [REDACTED] of the gross proceeds on Equipment sold at the auction or, in the case of Equipment not sold at the auction, [REDACTED] of the fair market value of such Equipment.
- (c) Subject to the conditions in section 4.1(a) being satisfied or waived, in the event the Owner is in violation of section 5.5(a)(ii), in addition to any other rights or remedies the Auctioneer may have under this Contract, the Auctioneer shall, at its sole discretion, have the right to sell or re-sell the Equipment by public or private sale and the Owner shall pay to the Auctioneer as liquidated damages in addition to all other amounts due hereunder, an amount equal to [REDACTED] of the proceeds realized from such sale or resale.

5.6 Auctioneer’s Right to Withdraw Equipment from Sale

Subject to the conditions in section 4.2(a) being satisfied or waived, if there are any Encumbrances against an item of Equipment which are not vested out and discharged by the Approval Order or the Owner is in breach of any of its representations or warranties under section 2.1 with respect to any Equipment, the Auctioneer shall have the right in its sole discretion to remove such Equipment from Schedule A and reduce the guaranteed minimum gross proceeds by an amount determined by the Auctioneer, acting reasonably.

5.7 Creation of Lien

Subject to the conditions in section 4.1(a) being satisfied or waived, in addition to any other rights or remedies available to the Auctioneer, this Contract creates a lien and charge upon the Equipment and may be registered under any applicable personal property security legislation as may be in effect from time to time and entitles the Auctioneer to seize and retain possession of the Equipment as security for, and/or to sell the Equipment to recover, all sums owing hereunder.

5.8 Use of Equipment

Subject to the conditions in section 4.1(a) being satisfied or waived, the Owner authorizes the Auctioneer to operate the Equipment for purpose of demonstrating it at the auction.

Owner Initials	
DS CP	DS EB

5.9 Lots

Subject to the conditions in section 4.1(a) being satisfied or waived, the Auctioneer may divide the Equipment into such lots as it may in its absolute discretion deem desirable for sale at the auction. The Auctioneer shall not be liable for any loss or damages claimed in respect of the manner in which the Equipment is divided into lots nor in respect of any failure to divide the Equipment into lots.

5.10 Transaction Fee

Subject to the conditions in section 4.1(a) being satisfied or waived, the Owner acknowledges that the Auctioneer may charge purchasers a transaction fee based on the selling price of each lot, provided that the transaction fee for each lot shall not exceed: (a) [redacted] on all Lots selling for [redacted] or less, with a minimum fee of [redacted] per Lot, (b) [redacted] on all Lots selling for over [redacted] up to [redacted], with a minimum fee of [redacted] per Lot or, (c) [redacted] on all Lots selling for over [redacted].

5.11 Collection of Proceeds

Subject to the conditions in section 4.1(a) being satisfied or waived, the Auctioneer shall collect the full proceeds from the sale of the Equipment and the Owner assigns to the Auctioneer:

- (a) the amount required to discharge and satisfy all Encumbrances in respect of the Equipment which are not vested out and discharged by the Court Order; and
- (b) all amounts payable to the Auctioneer hereunder, including commission, and any advances, together with interest thereon which shall be repayable at the time of the sale.

5.12 Auctioneer’s Right of Set-Off

The Auctioneer may, in its discretion, apply any proceeds from the sale of the Equipment towards any outstanding amounts otherwise due and owing by the Owner to the Auctioneer in connection with any purchases, deficiencies or services rendered by the Auctioneer.

5.13 Uncollected Proceeds

The Auctioneer may, as it deems necessary, re-auction any part of the Equipment not sold or paid for at the auction and the Owner acknowledges that no monies in excess of the guaranteed minimum gross proceeds, less all deductions permitted under this Contract, shall be payable by the Auctioneer for any part of the Equipment until it has been paid for in full by the purchaser thereof.

5.14 Other Consignments

Equipment belonging to other owners may be sold at the auction.

Owner Initials	
DS CP	DS EB

5.15 Owner's Name

The Owner authorizes the Auctioneer to use Owner's name, trademark and logo in advertising the auction.

5.16 Entire Agreement

This Contract:

- (a) constitutes the entire agreement between the parties and supersedes and takes the place of all prior contracts, understandings, representations or warranties;
- (b) may not be amended except in writing. There are no understandings, agreements, promises, terms, conditions, or warranties expressed or implied, whether orally or by law, statute or trade usage, other than as specifically stated herein; and
- (c) shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

5.17 Internet Bidding and Timed Auction Lot System

The Auctioneer may in its sole discretion offer certain lots for sale, in conjunction with its public unreserved auction, to registered bidders using its proprietary online bidding service or using its silent "timed auction lot" system. The Auctioneer shall use its best effort to ensure that such technologies and systems are available at all auctions for which they have been advertised, however at any given sale

- (a) only those lots which the Auctioneer deems appropriate shall be offered using such technologies and systems, and
- (b) certain circumstances concerning the Internet and the technology in use are beyond the Auctioneer's control, and such systems may not be available at any given time or auction.

5.18 The Auctioneer shall not be liable for any claims, demands, suits, actions, causes of action, damages, costs or charges arising from the Auctioneer's decision whether or not to use such technologies or systems or its failure to offer such systems at any time, other than arising as a result of the Auctioneer's negligence or willful misconduct.

5.19 Force Majeure

Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Contract for failure or delay in fulfilling or performing any term of this Contract when such failure or delay is caused by or results from causes beyond the reasonable control of the affected party, including but not limited to fires, strikes, floods, adverse weather that has the potential to injure persons or damage property, acts of war, terrorism, riot, or public disorder, acts of God, lawful acts of public authorities or electronic failures and internet service provider disruptions.

Owner Initials	
DS CP	DS EB

5.20 Jurisdiction

This Contract is subject to and governed by the laws of the Province of Alberta. Any legal action brought by a party arising from or relating to this Contract shall be litigated exclusively in the Court in Calgary, Alberta, and the parties irrevocably attorn to the exclusive jurisdiction of such court for the resolution of such disputes.

5.21 Notice

Any notice given hereunder shall be delivered by prepaid registered mail to the parties hereto at the address set out on page 1, with any notice to the Auctioneer sent to the attention of Legal Affairs.

5.22 Headings

All headings in this Contract are for reference purposes only and this Contract shall be interpreted without reference to such headings.

5.23 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be contrary to law, then the remaining provisions of this Contract will remain in full force and effect.

5.24 Execution by Facsimile, Electronic Transmission and Counterpart

This Contract may be executed by fax, PDF, or other electronic transmission and in counterpart, each of which when taken together shall be deemed to constitute an original and form part of the same document, and, upon acceptance by the Auctioneer, be effective and binding on both parties.

5.25 Privacy

Information provided in this Contract will be retained by the Auctioneer in accordance with its formal Privacy Statement, provided on the Auctioneer's website at www.rbauction.com.


5.26 Further Assurances


The parties shall execute such further documents and do any and all such further things as may be necessary to implement and carry out the intent of this Contract.

[signature page follows]

Owner Initials	
DS CP	DS EB

IN WITNESS WHEREOF this Contract has been executed by the parties hereto as of date first above written.

Owner Name:	Mantle Materials Group, Ltd		
Authorized Person:	Cory Pichota	Title:	COO
Signature:		Date Signed:	31/10/2023 (dd/mm/yyyy)

RITCHIE BROS. AUCTIONEERS (CANADA) LTD			
Name:	Elliot Bicknell	Title:	Territory Manager
Signature:		Date Signed:	31/10/2023 (dd/mm/yyyy)

Attached to and forming part of
CONTRACT TO AUCTION

LIENHOLDER INFORMATION

Owner's Name:



Mantle Materials Group Ltd

Auction Site	Auction Location
Edmonton, AB,CAN - Dec 14, 2023	Nisku, Alberta

Encumbrances:

Administration Charge, Interim Facility Charge and Directors' and Officers' Charge granted pursuant to the Orders of the Honourable Justice Feasby of the Court of King's Bench of Alberta made as of August 15, 2023 and August 28, 2023.


Fiera Private Debt Fund VI LP
Fiera Private Debt Fund V LP
Canadian Western Bank
Travelers Capital Corp.

Owner Initials	
	

Crestmark, a division of Metabank, National Association
 Metabank, National Association
 Pathward, National Association
 Alberta Auto Finance Ltd.
 RLF Canada Lender Limited
 ATB Financial

To Whom It May Concern:

The undersigned party hereby authorizes Ritchie Bros. Auctioneers (Canada) Ltd. (the “**Auctioneer**”) to conduct searches and contact creditors as required for the disclosure of liens, charges and encumbrances and to determine amounts claimed against the equipment (the “**Equipment**”) described on the attached Schedule “A”. The undersigned further consents to the release to the Auctioneer of any and all information pertaining to any such lien, charge or other encumbrance or security interest claimed in any assets of the undersigned.

Owner Name:	Mantle Materials Group Ltd		
Authorized Person:	Cory Pichota	Title:	COO
Signature:	 <p>DocuSigned by: Cory Pichota —AEF40145FC37410...</p>	Date Signed:	31/10/2023 (dd/mm/yyyy)

Owner Initials	
DS CP	DS EB

SCHEDULE A Part of a Contract to Auction

Owner's Name:

Mantle Materials Group Ltd

Auction Site	Auction Location
Edmonton, AB, CAN - Dec 14, 2023	Nisku, Alberta

#	Item Description
1	Owner Equipment ID: BF100 Year: 2014 Manufacturer: Elrus Model: 42 belt feeder Description: 2014 Elrus 42 belt feeder 8 ft x 15 ft 42 In T/A Aggregate Feeder Machine Type: Aggregate Feeder S/N: M6443ERC14F Tires / U/C: 55% C/W: Hydraulic Raise Grizzly
2	Owner Equipment ID: CY001 Year: 2007 Manufacturer: Superior Description: 2007 Superior 36 in x 60 ft Portable Radial Stacking Conveyor Machine Type: Conveyor S/N: 725207 Tires / U/C: 60 C/W: Manual Raise, Electric Radial Drive, Pintle Ring
3	Owner Equipment ID: CY002 Year: 2008 Manufacturer: Superior Description: 2008 Superior 36 in x 60 ft Portable Radial Stacking Conveyor Machine Type: Conveyor S/N: 860808 Tires / U/C: 70 C/W: Manual Raise, Electric Radial Drive, Pintle Ring
4	Owner Equipment ID: CY003 Year: 2008 Manufacturer: Superior Description: 2008 Superior 36 in x 60 ft Portable Radial Stacking Conveyor Machine Type: Conveyor S/N: 860708 Tires / U/C: 50 C/W: Manual Raise, Electric Radial Drive, Pintle Ring
5	Owner Equipment ID: CY004 Year: 2007 Manufacturer: Superior Description: 2007 Superior 36 in x 60 ft Portable Transfer Conveyor Machine Type: Conveyor S/N: 819007 Tires / U/C: 50 C/W: Manual Raise, Electric Radial Drive, Pintle Ring
6	Owner Equipment ID: CY005 Year: 2011 Manufacturer: Superior Description: 2011 Superior 36 in x 125 ft Portable Radial Stacking Conveyor Machine Type: Conveyor S/N: 216044 Tires / U/C: 60 C/W: Folding End Section, Hydraulic Raise, Electric Radial Drive, Kingpin

Owner Initials	
DS CP	DS EB

CDN Guar R01_15

ACTIVE_CA\59298961\5

7	<p>Owner Equipment ID: CY006 Manufacturer: Superior Description: Superior 36 in x 60 ft Portable Transfer Conveyor Machine Type: Conveyor S/N: 8191 Tires / U/C: 50 C/W: Manual Raise, Electric Radial Drive, Pintle Ring</p>
8	<p>Owner Equipment ID: CY007 Manufacturer: Telsmith Description: Telsmith 20 in x 40 ft Portable Transfer Conveyor Machine Type: Conveyor S/N: PK40T274 Tires / U/C: 30 C/W: Hydraulic Raise, Electric Radial Drive, Pintle Ring</p>
9	<p>Owner Equipment ID: EX001 Year: 2012 Manufacturer: Komatsu Model: PC290LC-10 Description: 2012 Komatsu PC290LC-10 Tracked Excavator Machine Type: Tracked Excavator S/N: KMTPC241E54A25013 Hrs/Mil: 7165.0 Hours Tires / U/C: 60 EPA: EPA C/W: Air Conditioner, Air Ride Seat, Cab Screens, Rear View Camera, 2011 US EPA Label, 10 ft 8 in Stick, 31.5 in Triple Grouser Track Shoes, Manual Quick Coupler, 67 in Cleanup Bucket, Additional 45 in Digging Bucket, Hydraulic Thumb, Catwalks</p>
10	<p>Owner Equipment ID: EX002 Year: 2013 Manufacturer: Komatsu Model: PC490LC-10 Description: 2013 Komatsu PC490LC-10 Tracked Excavator Machine Type: Tracked Excavator S/N: KMTPC239C54A40412 Hrs/Mil: 8838.0 Hours Tires / U/C: 60 EPA: EPA C/W: Air Conditioner, Air Ride Seat, Tier 4, US EPA Label, Positive Air Shutoff, 13 ft Stick, 35.5 in Triple Grouser Track Shoes, Manual Quick Coupler, 82 in Cleanup Bucket</p>
11	<p>Owner Equipment ID: FL001 Year: 2001 Manufacturer: Toyota Model: 7FGU30 Description: 2001 Toyota 7FGU30 6000 lb Pneumatic Tire Forklift Machine Type: Pneumatic Tire Forklift S/N: 61607 Hrs/Mil: 18212.0 Hours Tires / U/C: 50 C/W: 3 Stage Mast, 131 in Max Lift Height, 85 in Lowered Mast Height, 48 in Forks, Side Shift, Solid Pneumatic Tires</p>
12	<p>Owner Equipment ID: PT001 Year: 2015 Manufacturer: Chevrolet Model: 2500 Description: 2015 Chevrolet 2500 LTZ 4x4 Crew Cab Pickup Machine Type: Pickup S/N: 1GC1KWE7FF613309 Hrs/Mil: 291503.0 KM Tires / U/C: 70 EPA: EPA C/W: 6.0 L V8 Engine, 2015 US EPA Label, Automatic Transmission, Air Conditioner, Power Driver's Seat, Power Windows, Sunroof, Power Sliding Rear Window, Fuel Tank, DeeZee Tool Box, Spray-On Bed Liner, 9500.0 lb GVWR, 275/65R18 Tires, 6 ft 6 in Bed</p>

Owner Initials	
DS CP	DS EB

13	Owner Equipment ID: PT002 Year: 2013 Manufacturer: Chevrolet Model: 2500 Description: 2013 Chevrolet 2500 LTZ 4x4 Crew Cab Pickup Machine Type: Pickup S/N: 1GC1KYEG5DF106658 Hrs/Mil: 213467.0 KM Tires / U/C: 70 EPA: EPA C/W: 6.0 L V8 Engine, 2013 US EPA Label, Automatic Transmission, Air Conditioner, Power Driver's Seat, Power Windows, Fuel Tank, DeeZee Tool Box, Spray-On Bed Liner, 9500.0 lb GVWR, 275/65R18 Tires, 6 ft 6 in Bed
14	Owner Equipment ID: PT003 Year: 1985 Manufacturer: GMC Model: P3500 Description: 1985 GMC P3500 4x2 Parts Van Truck Machine Type: Van Truck S/N: 1GDHP32T3F3510093 Hrs/Mil: 396107.0 KM Tires / U/C: 40 C/W: 6 Cylinder 4.8 L Engine, Manual Transmission, 10000.0 lb GVWR, 8R19.5, Spring Suspension, 160 in Wheelbase, x 82 in Wide x 92 in High Body, Liftgate
17	Owner Equipment ID: PT006 Year: 2008 Manufacturer: Ford Model: F-350 Description: 2008 Ford F-350 XL 4x4 Crew Cab Pickup Machine Type: Pickup S/N: 1FTWW31518EE16691 Hrs/Mil: 312254.0 KM Tires / U/C: f10 r 40 EPA: EPA C/W: 6.4 L V8 Diesel Engine, 2008 US EPA Label, Automatic Transmission, Air Conditioner, Headache Rack, Fuel Tank /w Pump, 11000.0 lb GVWR, 275/70R18 Tires, 8 ft Bed
18	Owner Equipment ID: PT034 Year: 2019 Manufacturer: Ford Model: F-150 Description: 2019 Ford F-150 XLT 4x4 Crew Cab Pickup Machine Type: Pickup S/N: 1FTFW1E52KFC66669 Hrs/Mil: 127038.0 KM Tires / U/C: 60 EPA: EPA C/W: 5.0 L V8 Engine, 2019 US EPA Label, Automatic Transmission, Air Conditioner, Power Windows, 7050.0 lb GVWR, 265/70R17 Tires, 6 ft 6 in Bed
19	Owner Equipment ID: RG001 Manufacturer: Grizzly Description: Grizzly Rock Separator Machine Type: :Misc. Industrial C/W: 8 x 15ft

DS
CP

DS
EB

Owner Initials	
DS CP	DS EB

20	<p>Owner Equipment ID: RT001 Year: 2008 Manufacturer: Komatsu Model: HM300-2 Description: 2008 Komatsu HM300-2 Articulated Dump Truck Machine Type: Articulated Dump Truck S/N: KMTHM005K54A11150 Hrs/Mil: 11913.0 Hours Tires / U/C: F 39-40% R done EPA: EPA C/W: Air Conditioner, Retarder, Air Ride Seat, E-Stops, 2006 US EPA Label, Positive Air Shutoff, Heated Body, Steel Body Liner, 23.5R25 Tires</p>
21	<p>Owner Equipment ID: RT002 Year: 2014 Manufacturer: Komatsu Model: HM300-3 Description: 2014 Komatsu HM300-3 Articulated Dump Truck Machine Type: Articulated Dump Truck S/N: KMTHM011H29003484 Hrs/Mil: 10160.0 Hours Tires / U/C: 65-70% EPA: EPA C/W: Air Conditioner, Retarder, Rear View Camera, Air Ride Seat, E-Stops, 2013 US EPA Label, Positive Air Shutoff, Heated Body, Tailgate, 750/65R25 Tires</p>
22	<p>Owner Equipment ID: SB100 Year: 2011 Manufacturer: Elrus Model: 30YRDSB Description: 2011 Elrus 30YRDSB Aggregate Surge Bin Machine Type: Aggregate Surge Bin S/N: M5379ERC11SB Tires / U/C: 50</p>
23	<p>Owner Equipment ID: SC001 Year: 1975 Manufacturer: Eagle Iron Works Description: 1975 Eagle Iron Works Sand Screw Machine Type: :Misc. Industrial S/N: 9789 C/W: 30 in x 24 ft</p>
24	<p>Owner Equipment ID: SS001 Manufacturer: Custom Built Description: Custom Built 8 ft 4 in x 6 ft 10 in Skid-Mounted Scale Shack Machine Type: :Misc. Portable Structure</p>
25	<p>Owner Equipment ID: TP001 Year: 2008 Manufacturer: Magnum Model: P4097L1-E410 Description: 2008 Magnum P4097L1-E410 4 In S/A Diesel Machine Type: :Misc. Pump S/N: 5AJGS11168B000784 Hrs/Mil: 84467.0 Hours Tires / U/C: 60 EPA: EPA C/W: 4 in Intake, 4 in Discharge, Self Priming Diaphragm Water Pump, 2006 US EPA Label, John Deere 4 Cylinder 49 kW 2.4 L Diesel Engine, S/A Trailer, Ball Hitch, Electric Brakes</p>

Owner Initials	
DS CP	DS EB

26	<p>Owner Equipment ID: TP002 Year: 2008 Manufacturer: Magnum Model: P4097L1-E410 Description: 2008 Magnum P4097L1-E410 4 In S/A Diesel Machine Type: :Misc. Pump S/N: 5AJGS11198B000746 Hrs/Mil: 73033.0 Hours Tires / U/C: 50 EPA: EPA C/W: 4 in Intake, 4 in Discharge, Self Priming Diaphragm Water Pump, 2006 US EPA Label, John Deere 4 Cylinder 49 kW 2.4 L Diesel Engine, S/A Trailer, Ball Hitch, Electric Brakes</p>
27	<p>Owner Equipment ID: WL004 Year: 2012 Manufacturer: Komatsu Model: WA380-7 Description: 2012 Komatsu WA380-7 Wheel Loader Machine Type: Wheel Loader S/N: KMTWA118A01010060 Hrs/Mil: 15015.0 Hours Tires / U/C: 50-60% EPA: EPA C/W: Enclosed Cab, Air Conditioner, Rear View Camera, Air Ride Seat, Ride Control, Autoshift, Compuload 4000 On-Board Scale w/Printer, E-Stops, 2011 US EPA Label, 114 in Bucket, 23.5R25 Tires</p>
28	<p>Owner Equipment ID: WL005 Year: 2014 Manufacturer: Case Model: SR200 Description: 2014 Case SR200 Skid Steer Loader Machine Type: Skid Steer Loader S/N: JAFSR200KEM467993 Hrs/Mil: 9412.0 Hours Tires / U/C: 40 C/W: Enclosed Cab, Air Ride Seat, Control Pattern Changer, 7 Pin Electric Kit, Hydraulic Coupler, 73 in Bucket</p>
29	<p>Owner Equipment ID: WL016 Year: 2013 Manufacturer: Cat Model: 246C Description: 2013 Cat 246C Two-Speed Skid Steer Loader Machine Type: Skid Steer Loader S/N: CAT0246CVJAY08691 Hrs/Mil: 22008.0 Hours Tires / U/C: 50% C/W: Enclosed Cab, Air Conditioner, Air Ride Seat, Joystick Steering, E-Stops, Hydraulic Coupler, 79 in Bucket, Forks, Counterweight Kit</p>
30	<p>Owner Equipment ID: WL017 Year: 2012 Manufacturer: Volvo Model: L220G Description: 2012 Volvo L220G Wheel Loader Machine Type: Wheel Loader S/N: VCEL220GC00012444 Hrs/Mil: 21127.0 Hours EPA: EPA C/W: Enclosed Cab, Air Conditioner, Rear View Camera, Air Ride Seat, Autoshift, VEI On-Board Scale w/Printer, E-Stops, 2012 US EPA Label, 132 in Bucket, 875/65R29 Tires</p>
31	<p>Owner Equipment ID: WP001 Year: 2006 Manufacturer: Trio Description: 2006 Trio 18 Ft x 36 In Coarse Washer Machine Type: :Misc. Industrial S/N: TCW3618-178</p>

Owner Initials	
DS CP	DS EB

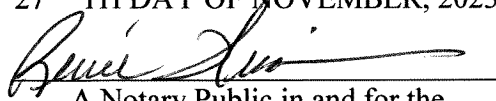
32	<p>Owner Equipment ID: TL001 Year: 1995 Manufacturer: Bonair Model: BA-19SS Description: 1995 Bonair BA-19SS 16 ft T/A Testing Travel Trailer Machine Type: Travel Trailer S/N: 2BL2RSH29S2450233 Tires / U/C: 50 C/W: Bumper Pull, Spring Suspension, Electric Brakes, 205/75R15 Tires</p>
33	<p>Owner Equipment ID: CC100 Year: 2008 Manufacturer: Elrus Model: H4800 Description: 2008 Elrus H4800 Closed Circuit Cone Crusher Machine Type: Cone Crusher S/N: M4768ER08CC Tires / U/C: 60% C/W: Sandvik P4800 Cone Crusher, 300 hp Drive Motor, 36 in Wide Feed Conveyor, 42 in Wide Under Crusher Conveyor, Magna-Skin 39 in x 0 ft 30 in Cross Belt Magnet, Tri/A Carrier, Walking Beam, Hydraulic Leveling</p>
34	<p>Owner Equipment ID: JS100 Year: 2015 Manufacturer: Elrus Model: 2054 Description: 2015 Elrus 2054 Portable Incline Jaw Screen Plant Machine Type: Screen Plant S/N: M6545ERC15JS Tires / U/C: 65% C/W: ELRUS 2054 54 in x 20 in Jaw Crusher, 125 hp Drive Motor, 20 ft x 6 ft Double Deck Screen, 60 in Wide Under Crusher Conveyor, 60 in Wide Under Screen Conveyor, 36 in Conveyor, 16 wheel, Walking Beam, Hydraulic Leveling</p>
35	<p>Owner Equipment ID: SP100 Year: 2008 Manufacturer: Elrus Model: 6X20-3DSP Description: 2008 Elrus 6X20-3DSP Portable Incline 6 x 20 Screen Plant Machine Type: Screen Plant S/N: M4544ER08SP Tires / U/C: 55% C/W: 20 ft x 6 ft Triple Deck Screen, 42 in Wide Feed Conveyor, 60 in Wide Under Screen Conveyor, 34 in Wide Left Discharge Conveyor, 34 in Wide Right Discharge Conveyor, T/A Carrier, Walking Beam, Hydraulic Leveling</p>
36	<p>Owner Equipment ID: PV100 Year: 2008 Manufacturer: Vanguard Description: 2008 Vanguard 500 kW Mobile Control Tower Control Van with Switch Gear Machine Type: Control Van with Switch Gear S/N: 5V8VA53218M806072 Tires / U/C: 50-60% C/W: Cummins Engine, /500 kW Rated 3 Phase Output, 480 V Rated Voltage, /455 kW, Rated Single Phase Output, 208 V Rated Voltage, E-Stops, T/A Trailer, Air Brakes, Elrus Tower (M4540ER08CT), compressor, work bench, tool box, 7773L under body fuel tank.</p>
37	<p>Owner Equipment ID: LT003 Year: 2013 Manufacturer: Doosan Model: L8 Description: 2013 Doosan L8 8 kW 60 Hz T4F Light Tower Machine Type: Light Tower S/N: 4FVLTBDA7DU449843 Hrs/Mil: 9849.0 Hours Tires / U/C: 50 EPA: EPA C/W: 2012 US EPA Label, Kubota 3 Cylinder 12.6 kW 1.1 L Diesel Engine, 4 Lamps, Balloon Diffuser, Power Receptacles, S/A Trailer, Lunette Ring, Electric Brakes</p>

Owner Initials	
DS	DS
CP	EB

38	Owner Equipment ID: LT006 Year: 2012 Manufacturer: Magnum Model: MLT5080K Description: 2012 Magnum MLT5080K 9 kW Light Tower Machine Type: Light Tower S/N: 5AJLS1612CB004671 Hrs/Mil: 20518.0 Hours EPA: EPA C/W: 2011 US EPA Label, Kubota D1105 16.5 kW Diesel Engine, 4 Lamps, S/A Trailer, Lunette Ring
39	Owner Equipment ID: FT001 Year: 2012 Manufacturer: Westeel Description: 2012 Westeel 11000 L Skid Mounted Steel Fuel Tank Machine Type: Fuel Tank S/N: 63120429 C/W: 12 V Transfer Pump, Fuel Meter, Automatic Shut-Off Nozzle
40	Owner Equipment ID: OF001 Year: 1990 Manufacturer: National Trailer Description: 1990 National Trailer 24 ft x 8 ft Portable T/A Mobile Office Machine Type: Mobile Office S/N: 2N9M08324L1013860 Tires / U/C: 60 C/W: Lunette Ring Hitch, Spring Suspension, Electric Brakes, 225/75R15 Tires
41	Owner Equipment ID: TV100 Year: 1981 Manufacturer: Fruehauf Model: FB9 F2W Description: 1981 Fruehauf FB9 F2W 53 ft x 96 in T/A Van Trailer Machine Type: Van Trailer S/N: 2H8V04523BS004517 Tires / U/C: 40 C/W: 36000.0 kg GVWR, Walking Beam Suspension, Air Brakes, Curbside Door, 11R22.5 Tires
42	Owner Equipment ID: TS001 Year: 2013 Manufacturer: Rice Lake Model: EZ8010 Description: Quantity of (3) 2013 Rice Lake EZ8010 ATV Portable Truck Scale Machine Type: Truck Scale S/N: 3FBP C/W: 80ft of scale.
43	Owner Equipment ID: TS002 Year: 2009 Manufacturer: Ancoma Model: PV5301030S Description: 2009 Ancoma PV5301030S Portable Truck Scale Machine Type: Truck Scale S/N: 301109 C/W: 10 Ft x 30 Ft
44	Owner Equipment ID: TS003 Year: 2015 Manufacturer: Precision Model: ETS119090 Description: 2015 Precision ETS119090 11 Ft x 90 Ft Truck Scale - Fits Truck Machine Type: Truck Scale S/N: 15-595 C/W: rub rails & Indicator s/n 1703600068, 3 section.
45	Description: 66 in Q/C Cleanup Excavator Bucket Machine Type: Excavator Bucket

Owner Initials	
DS CP	DS EB

THIS IS EXHIBIT "DD" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

Zeineddine, Samah

From: Jason Mercier <jason.mercier@mantlegroup.ca>
Sent: September 20, 2023 1:06 PM
To: Cory Pichota; john.stout@rlholdings.com; Cumming, Tom; Kleebaum, Robert
Subject: Mantle Materials Group - Sale and Solicitation Process Launch
Attachments: Mantle Pits Teaser - Sept 2023 - FINAL 19 Sept 23.pdf

Importance: High

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

Greetings,

Mantle Materials Group, Ltd. (“**Mantle**” of the “**Company**”) has filed a Notice of Intention to Make a Proposal (“**NOI**”) on July 13, 2023, pursuant to section 50.4(1) of the Bankruptcy and Insolvency Act.

Mantle is launching a sale and solicitation process (the “**SSP**”) to solicit interest in, and opportunities for, a sale of, its pit registrations and mining lease rights (the “**Opportunity**”). Please see the attached document for more information.

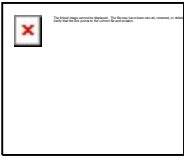
The Bid Deadline for this Opportunity is October 25, 2023.

To express interest and request an NDA, please contact:

Cory Pichota – President/COO – cory.pichota@mantlegroup.ca or Jason Mercier – Business Development Manager – Jason.mercier@mantlegroup.ca

(Additional contact information is in the Mantle Pits Teaser document attached.)

Respectfully yours,



Jason Mercier | Business Development Manager

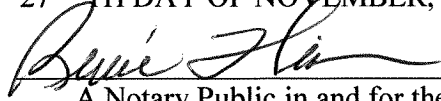
Cell: 780-207-0960

Email: jason.mercier@mantlegroup.ca

Website: www.mantlegroup.ca

Follow us on: [Facebook](#) | [LinkedIn](#)

THIS IS EXHIBIT "EE" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025



MANTLE
MATERIALS GROUP



2023 NOI - Sale Solicitation Process



- Mantle Materials Group, Ltd. (“**Mantle**” of the “**Company**”) has filed a Notice of Intention to Make a Proposal (“**NOI**”) on July 13, 2023, pursuant to section 50.4(1) of the Bankruptcy and Insolvency Act.
- Mantle is launching a sale and solicitation process (the “**SSP**”) to solicit interest in, and opportunities for, a sale of, its pit registrations and mining lease rights (the “**Opportunity**”).
- The timeline for the SISP and contact information for the Opportunity are set out below. Additional information is available at <http://cfcanada.fticonsulting.com/mantle/> and access to a virtual data room is available to parties executing an NDA.

Timeline

September 25, 2023 Data Room Open

October 25, 2023 Bid Deadline

Contact Information

Cory Pichota
President/ COO

cory.pichota@mantlegroup.ca
587-991-8440

Jason Mercier
Business Development Manager

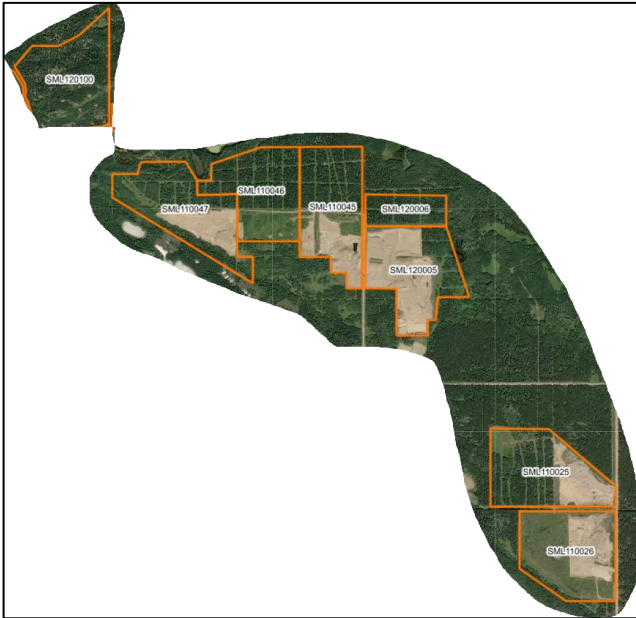
jason.mercier@mantlegroup.ca
780-207-0960



MANTLE
MATERIALS GROUP

Summary of Operating Pits

<https://maps.app.goo.gl/91XhPAobkQeSfPHM7>



ESTIMATED RESERVES

(As of Sept 1, 2023)

4,785,160 Mt in Opened Pits

2,440,000 Mt in Unopened Pit

Est. Life of Pit Gross Revenue: \$ 32.5 M¹

¹ 1,806290 Mt Net Reserves (after factoring in mining and processing loss estimates) x \$18.00 / Mt of finished product

FINISHED INVENTORY

As of Sept 1, 2023

Des 2 Class 25 ~ 8,000 Mt

Des 4 Class 40 ~ 5,600 Mt

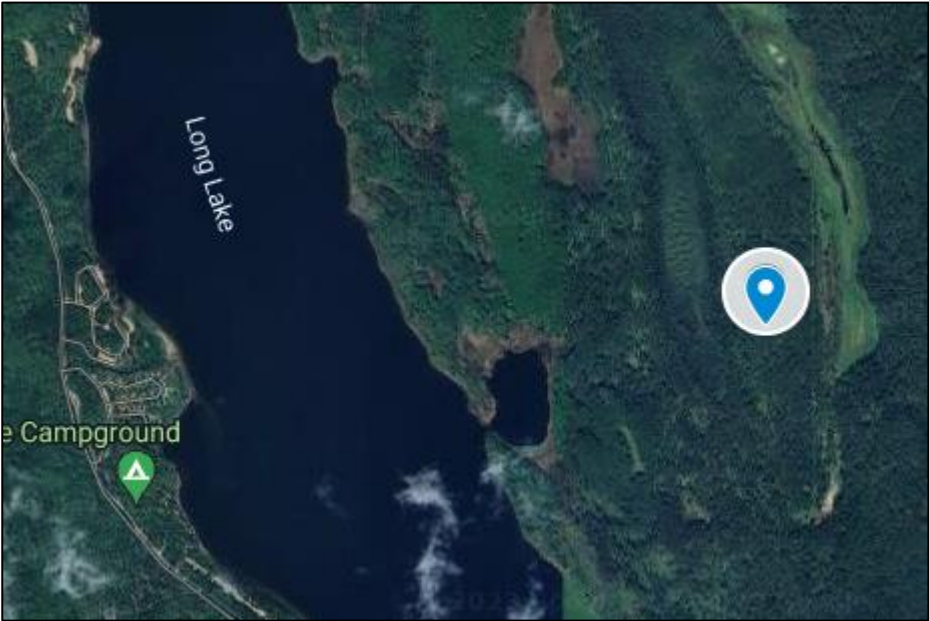
Des 6 Class 80 ~ 5,300 Mt

Estimated FMV \$340,000¹

¹ Based on Average Selling Price FOB Pit past 12 months

Pit Common Name	Public Lands		Gross Estimated Reserves (Tonne)
	Disposition # or Registration #	Primary Market Service	
JLG 5	SML 110025	Smoky Lake	772,200
JLG 6	SML 110026	Smoky Lake	752,400
JLG 7	SML 110045	Smoky Lake	236,880
JLG 8	SML 110046	Smoky Lake	747,100
JLG 9	SML 110047	Smoky Lake	1,372,180
JLG 10	SML 120005	Smoky Lake	904,400
JLG 11	SML 120006	Smoky Lake	-
JLG 12	SML 120100	Smoky Lake	2,440,000

<https://goo.gl/maps/vPX5QPDL9iGk1HiS6>



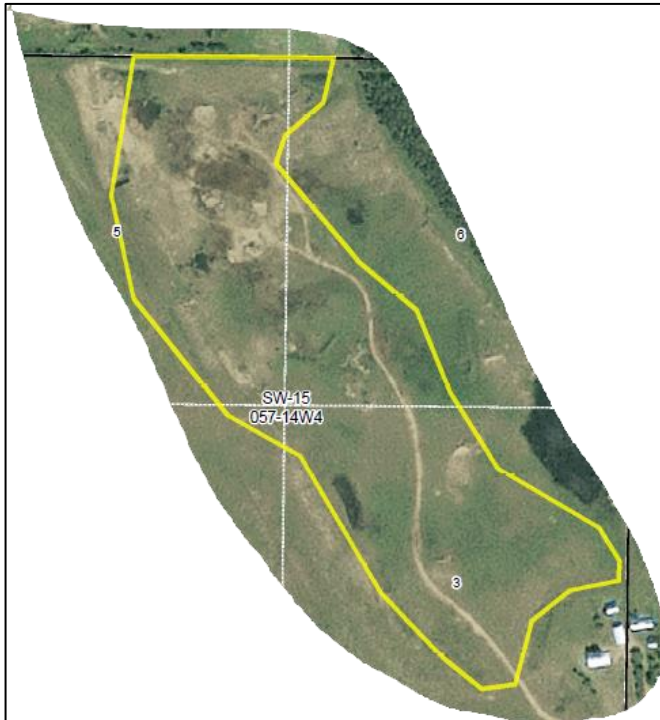
ESTIMATED RESERVES
(As of Sept 1, 2023)

2,756,406 Mt in Unopened Pit
Est. Life of Pit Gross Revenue: \$ 29.8 M¹

¹ 1,6538,43 Mt net reserves (after factoring in mining and processing loss estimates) x \$ 18.00 / Mt of finished product

		Public Lands			
		Disposition # or		Gross Estimated	
Pit Common Name	Registration #	Primary Market Serve	Reserves (Tonne)	Status	
JLG 4	SML100085	Thorhild	2,756,406	Not opened	

<https://goo.gl/maps/onewyTLVycBndrQ2A>



ESTIMATED RESERVES
(As of Sept 1, 2023)

784,560 Mt in Opened Pits
Est. Life of Pit Gross Revenue: \$ 8.5 M¹

¹ 470,736 Mt net reserves (after factoring in mining and processing loss estimates) x \$18.00 / Mt of finished product

Pit Common Name	Public Lands Disposition # or Registration #	Lease Holder	Primary Market Service	Gross Estimated Reserves (Tonne)
Andrychuk	n/a	Mantle Materials Group	Fort Saskatchewan	784,560

<https://maps.app.goo.gl/9bQp2jVZ5qPQzHvT7>



ESTIMATED RESERVES
(As of Sept 1, 2023)

4,755,104 Mt in Opened Pits
Est. Life of Pit Gross Revenue: \$ 42.8 M¹

¹ 2,377,552 Mt net reserves (after factoring in mining and processing loss estimates) x \$18.00 / Mt of finished product

FINISHED INVENTORY
As of Sept 1, 2023

Des 4 Class 20 ~ 4,900 Mt
Estimated FMV \$88,200¹

¹ Based on Average Selling Price FOB Pit past 12 months

Pit Common Name	Public Lands	Disposition # or	Gross Estimated	Status
	Registration #	Primary Market Serve	Reserves (Tonne)	
Shankowski	308161-00-00	Elk Point	4,755,104	Open

<https://goo.gl/maps/WAMRtRp7dok683Pt8>



ESTIMATED RESERVES

(As of Sept 1, 2023)

2,143,128 Mt in Opened Pits

Est. Life of Pit Gross Revenue: \$ 25.1 M¹

¹ 1,393,033 Mt net reserves (after factoring in mining and processing loss estimates) x \$18.00 / Mt of finished product

FINISHED INVENTORY

As of Sept 1, 2023

Des 4 Class 20 ~ 21,000 Mt

Des 2 Class 40 ~ 18,700 Mt

Des 6 Class 80 ~ 22,200 Mt

Class 1 Rip Rap ~ 965 Mt

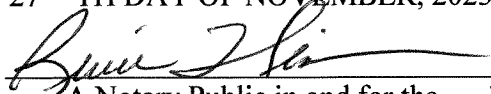
4" x 8" Gabion ~ 300 Mt

Estimated FMV \$1,145,825¹

¹ Based on Average Selling Price FOB Pit past 12 months

Pit Common Name	Registration #	Primary Market Service	Reserves (Tonne)	Status
Havener	17395-01-00	Elk Point	2,143,128	Open

THIS IS EXHIBIT "FF" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025



ig

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**
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 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

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**

Phone: 403.298.1938 / 403.298.1018

Fax: 403.263.9193

Email: tom.cumming@gowlingwlg.com /
sam.gabor@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 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]

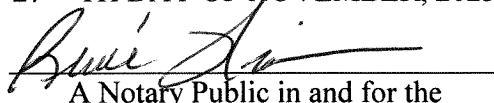
FTI Consulting Canada Inc., in its capacity as
Proposal Trustee of **Mantle Materials Group,
Ltd.**, and not in its personal capacity

Per:

Name:

Title:

THIS IS EXHIBIT "GG" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

B201 965622

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.



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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 November 1, 2023; **AND UPON** reading Affidavit of Byron Levkulich, sworn November 1, 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 the proceedings commenced thereby, the “**Proposal Proceedings**”); **AND UPON** reading the Third Report of FTI Consulting Canada Inc. dated November 3, 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, counsel for Travelers Capital Corp., and any other counsel or other interested parties present; **AND UPON** being advised that this Court has provided a time of December 18, 2023 for a further hearing on the Commercial List in respect of the next stay extension or to convert these Proposal Proceedings to proceedings under the *Companies’ Creditors Arrangement Act*,

IT IS HEREBY ORDERED THAT:

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.
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 20, 2023 (the “**Stay Extension**”).
3. The Stay Extension is without prejudice to the right of Travelers Capital Corp. to question Byron Levkulich on his affidavits sworn in these proceedings as they relate to the Stay Extension, including any evidence relied upon by Mantle for this Application, and as if he had been made available for questioning prior to the hearing of this Application.
4. Atlas Aggregates Inc. (“**Atlas**”) is directed to forthwith provide to the Proposal Trustee its securities register, including 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**”), and the provision by Atlas of the Shareholder Information to the Proposal Trustee is declared not to be a violation of privacy law pursuant to the *Personal Information Protection Act*, SA 2003, c P-6.5.
5. The Proposal Trustee shall hold the Shareholder information in confidence, and shall only utilize the Shareholder Information to enable it to send notices to each shareholder of Atlas

of the proposed sale of the securities held by Mantle in Atlas together with information on the times within which a bid to purchase those securities or an expression of interest in purchasing those securities must be submitted. The Proposal Trustee is authorized to advise Mantle of any bid or expression of interest and to provide to Mantle the name and contact information of any shareholder submitting a bid or expression of interest.

6. There shall be no costs payable by Atlas with respect to the Order.
7. 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.


J.C.K.B.A.

THIS IS EXHIBIT "HH" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

B201 965622

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**

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 the Affidavit of Byron Levkulich, sworn November 1, 2023 (the “**Affidavit**”) and the Confidential Affidavit of Byron Levkulich, sworn November 1, 2023 (the “**Confidential Levkulich Affidavit**”); **AND UPON** reading the Third Report dated November 3, 2023 (the “**Third Report**”) of FTI Consulting Canada Inc. in its capacity as proposal trustee of Mantle (in such capacity, the “**Proposal Trustee**”) and the Confidential Supplement to the Third Report dated November 3, 2023 (the “**Confidential Supplement**”); **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:

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 earlier of (a) the filing of the Proposal Trustee’s Certificate (as defined in the Order of Dunlop J. dated November 8, 2023), or (b) May 15, 2024, or such later date as provided for in a 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 Levkulich Affidavit in a sealed envelope, which shall be clearly marked:

“SEALED PURSUANT TO THE ORDER OF THE HONOURABLE JUSTICE DUNLOP DATED NOVEMBER 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 NOVEMBER 8, 2023 IS FILED WITH THE COURT OR UNTIL FURTHER ORDER OF THE COURT.”

3. The Confidential Supplement shall be sealed and kept confidential until the earlier of (a) the filing of the Proposal Trustee’s Certificate (as defined in the Order of Dunlop J. dated November 8, 2023), or (b) May 15, 2024, or such later date as provided for in a 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:

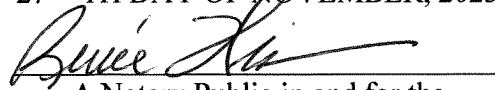
“SEALED PURSUANT TO THE ORDER OF THE HONOURABLE JUSTICE DUNLOP DATED NOVEMBER 8, 2023. TO REMAIN SEALED UNTIL THE PROPOSAL TRUSTEE’S CERTIFICATE AS DEFINED IN THE ORDER (AUCTION APPROVAL AND OTHER RELIEF) OF JUSTICE DUNLOP DATED NOVEMBER 8, 2023 IS FILED WITH THE COURT OR UNTIL FURTHER ORDER OF THE COURT.”

4. 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.

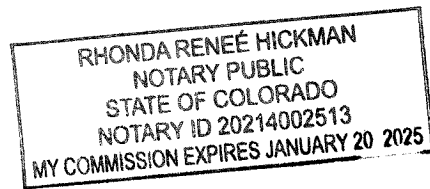


J.C.K.B.A

THIS IS EXHIBIT "II" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado



Kroeger, Stephen

From: Heather Dent <Heather.Dent@gov.ab.ca>
Sent: October 2, 2023 4:33 PM
To: Cory Pichota
Cc: Maxwell Harrison
Subject: Follow up on September 25 Meeting

Cory,

Thanks for taking time on Monday September 25 to discuss Mantle's regulatory obligations to reclaim gravel pits on private and public land, and progress being made by Mantle in fulfilling the orders issued by Alberta Environment and Protected Areas.

As a quick recap, we discussed:

Order #	Name	Updates Provided by Mantle September 25, 2023
EPO-EPEA-35659-01	MacDonald Pit	<ul style="list-style-type: none">Reclamation will start in the next 2 weeks (Oct 9).
EPO-EPEA-35659-02	Megley Pit	<ul style="list-style-type: none">Complete – seeded and rocks picked.Assessment stage is left
EPO-EPEA-35659-03	Kucy Pit	<ul style="list-style-type: none">In final stages of ReclamationTopsoil shortage – may be requesting for partial rec-cert leaving on area under 5 ha with no topsoil as landowner wants to extract aggregate
EPO-EPEA-35659-04	Havener Pit	<ul style="list-style-type: none">Potential buyer St. Paul County – to be handled through sales and solicitation process
EPO-EPEA-35659-12	Shankowski Pit	<ul style="list-style-type: none">Potential buyer St. Paul County - to be handled through sales and solicitation process.
EPO-EPEA-35659-05	Buksa Pit	<ul style="list-style-type: none">Full reclaimedAssessment stage left
EPO-EPEA-35659-06	O'Kane Pit	<ul style="list-style-type: none">No reclamation requirementsPaperwork regarding the transfer of pit from Mantle to Aarbo has started. EPA to review and respond.
EPO-EPEA-35659-07 EO-WA-35659-01	SML 060060	<ul style="list-style-type: none">Dewatering has commenced. Plans to be onsite in the next two weeks (initiating work between Sept 25- Oct 6).
EPO-EPEA-35659-08	SML 930040	<ul style="list-style-type: none">Work has been completed on site, nothing outstanding. Will provide formal assessment when its due.
EPO-EPEA-35659-09	SML 980116	<ul style="list-style-type: none">Work has been completed on site, nothing outstanding. Will provide formal assessment when its due.
EPO-EPEA-35659-10	SML 120027	<ul style="list-style-type: none">Work has been completed on site, nothing outstanding. Will provide formal assessment when its due.

- Mantle is pursuing a sales and solicitation process to solicit interest in, and opportunities for, a sale of, its pit registration and dispositions. The deadline for bids is October 25, 2023.
- Mantle raised concerns about the impact the exiting orders and other potential orders might have on sales and solicitation process. Mantle sought a letter outlining under what circumstances EPA would lift the orders.

- Environment and Protected Area primary focus is on ensuring that all reclamation obligations (including reclamation certification) are met.
- Cory suggested a possible long-term outcome of the Mantle's bankruptcy and insolvency proceeding might be the creation of a trust designed to satisfy the long-term requirements of the orders. This would include the monitoring, reporting and application for reclamation certification.

We came to the conclusion that:

- Mantle will continue to engage with Compliance Managers Maxwell Harrison and Heather Dent (who are the statutory decisions), in relation to the orders referenced above.
- Compliance Manager Harrison has agreed to have discussion with prospective buyers or parties that are interested in taking on the registration in place of Mantle to discuss EPA's requirements that need to be met for EPA to consider lifting or closing the EPOs.

Reach out with any questions, concerns, or relevant updates in the meantime.

Heather Dent

Compliance Manager
North East Boreal, Regulatory Assurance Division North
Alberta Environment and Protected Areas
Government of Alberta

1st Floor, Twin Atria Building
4999-98 Avenue
Edmonton, AB T6B 2X3

Office 780 427 9335

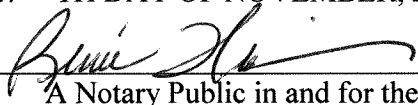
Heather.Dent@gov.ab.ca

Environmental Emergencies 1 800 222 6514



Classification: Protected A

THIS IS EXHIBIT "JJ" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

**Summary of Reclamation Work
October 2022 Report**

EPO	Pit	Completed Work	Outstanding Work	Deadline for Completion
EPO-EPEA-35659-01	MacDonald	A portion of the disturbance in the north-west was worked on in May 2022; all marketable aggregate was removed from the site by October 28, 2022; site assessment to finalize topsoil volume availability completed June 15, 2022; a portion of the recontouring activities completed July 15, 2022	<p>Complete the remaining of the recontouring activities including disposal of oversize rocks, place topsoil, and seed topsoil with pasture mix (September 1 – October 31)</p> <p>six month monitoring</p> <p>assess soil stability after spring thaw</p> <p>assess pasture vegetation success and survey weeds</p> <p>Apply for reclamation certificate</p>	<p>October 31, 2023</p> <p>April 30, 2024</p> <p>May 15, 2024 and 2025</p> <p>July 1, 2024 and 2025</p> <p>November 1, 2025</p>
EPO-EPEA-35659-02	Megley	Filled in portion of waterbody (November 15, 2021); northern portion tilled (July 22, 2022); all open excavations with intercepted ground water filled (August 23, 2022)	<p>Complete remaining recontouring activities and replace topsoil</p> <p>Remove marketable material</p> <p>Six month monitoring</p> <p>Assess soil stability</p> <p>Assess crop vegetation and weeds</p> <p>Apply for reclamation certificate</p>	<p>September 30, 2023 Completed September 12, 2023</p> <p>September 30, 2023 Completed September 12, 2023</p> <p>October 1, 2023 to March 30, 2024</p> <p>May 15, 2024 and 2025</p> <p>July 1, 2024 and 2025</p> <p>November 1, 2025</p>
EPO-EPEA-35659-03	Hoye/Kucy	Dewatering complete September 13, 2022	Dewatering of waterbody	June 30, 2023 Completed September 15, 2023; Fish rescue conducted September 10, 2023

EPO	Pit	Completed Work	Outstanding Work	Deadline for Completion
			<p>Deconstruct waterbody, complete final recontouring, topsoil placement, and seeding of topsoil</p> <p>Six month monitoring</p> <p>Assess soil stability and weeds</p> <p>Address any shortfalls from assessment</p> <p>Apply for reclamation certificate</p>	<p>August 31, 2023 Completed work on waterbody, final recontouring, topsoil placement October 9, 2023</p> <p>Seeding of topsoil to take place in spring 2024 after thaw</p> <p>September 1, 2023 to March 1, 2024</p> <p>May 15, 2024 and 2025</p> <p>June 15, 2024 and 2025</p> <p>November 1, 2025</p>
EPO-EPEA-35659-04	Havener	<p>UAP approved and security paid.</p> <p>Aggregate production under the UAP approval occurred in 2022.</p>		EPO closed by the AEPA April 28, 2023
EPO-EPEA-35659-05	Buska	Major recontouring (November 14, 2021); additional recontouring (May 28, 2022)	<p>Complete final recontouring including oversize rock disposal, topsoil placement, and seeding</p> <p>Six month monitoring</p> <p>Assess soil stability after spring thaw</p> <p>Assess crop vegetation and weeds</p> <p>Address any shortfalls</p> <p>Apply for reclamation certificate</p>	<p>October 31, 2023 Completed September 13, 2023</p> <p>November 1, 2023 to April 30, 2024</p> <p>May 15, 2024 and 2025</p> <p>July 1, 2024 and 2025</p> <p>September 20, 2024 and 2025</p> <p>November 1, 2025</p>

EPO	Pit	Completed Work	Outstanding Work	Deadline for Completion
EPO-EPEA-35659-06	O'Kane	<p>Erosion remediation completed November 13, 2021</p> <p>UAP submission (March 10, 2022), SIR Submission (August 1, 2022), WA Submission (October 14, 2022)</p>	Application to transfer pit registration and <i>Water Act</i> approval from Mantle to Aarbo Ranching	<p>15 days after receiving UAP approval Registration and Approval transferred effective September 26, 2023</p> <p>Mantle no longer responsible for the Reclamation Work</p>
EPO-EPEA-35659-07 / EO-WA-35659-01	<p>SML 060060</p> <p>A revised Remedial Plan was submitted January 27, 2023, but was not approved by the AEPA until September 14, 2023</p>	<p>Remediation of ditches (August 20, 2022)</p> <p>Final recontouring of Northern area; Interim remediation of southwest erosion; salvaged topsoil and woody debris; stripping topsoil; dewater water body and completed partial backfilling of the waterbody (October 21, 2022)</p>	<p>Dewater the waterbody</p> <p>Remediation of the waterbody-backfilling, major recontouring of the constructed waterbody. Complete all remaining reclamation activities; Final fill, final recontouring, final topsoil placement, seeding</p> <p>Six month monitoring</p> <p>Assess soil stability, vegetation, weeds</p> <p>Apply for reclamation certificate</p>	<p>July 31, 2023 (Dewatering delayed as the TFA needed to commence dewatering was not issued until September 14, 2023)</p> <p>September 30, 2023</p> <p>October 1, 2023 to March 31, 2024</p> <p>August 15, 2024 and 2025</p> <p>September 15, 2025</p>
EPO-EPEA-35659-08	SML930040	<p>Removal of garbage and debris; completed recontouring, seeking and block access (October 20, 2021)</p> <p>Six month monitoring (November 1, 2021 to April 30, 2022)</p>	<p>Assess soil stability</p> <p>Assess vegetation and weeds Address any shortfalls</p>	<p>May 15, 2023 Completed May 15, 2023</p> <p>July 1, 2023; September 20, 2023 Completed June 1, July 1 and October 13, 2023</p>

EPO	Pit	Completed Work	Outstanding Work	Deadline for Completion
		<p>Assess soil stability, revegetation and weeds (July 15, 2022)</p> <p>Address any shortfalls (September 20, 2022)</p>	<p>Apply for reclamation certificate</p>	<p>November 1, 2023 Reclamation Assessment completed in October 2023. Site does not meet criteria for reclamation certificate at this time. Will vegetate in Spring 2024 and apply for reclamation certificate in October 2024</p>
<p>EPO-EPEA-35659-09</p>	<p>SML 980116</p>	<p>Complete dugout construction and topsoil placement (October 14, 2021)</p> <p>Seed native grass (December 31, 2021)</p> <p>Assess soil stability, revegetation, weeds (July 15, 2022)</p> <p>Address any shortfalls (September 20, 2022)</p>	<p>Assess soil stability</p> <p>Assess revegetation, weeds; Address any shortfalls</p> <p>Apply for reclamation certificate</p>	<p>May 15, 2023 Completed May 15, 2023</p> <p>July 1, 2023 September 20, 2023 Completed June 1, July 1 and October 13, 2023</p> <p>November 1, 2023</p>
<p>EPO-EPEA-35659-10</p>	<p>SML 120027</p>	<p>Complete hydroseeding (October 13, 2021)</p> <p>Six month monitoring (November 1, 2021 to April 30, 2022)</p> <p>Assess soil stability, revegetation, plant trees, check for weeds (July 15, 2022)</p> <p>Address any shortfalls (September 20, 2022)</p>	<p>Assess soil stability</p> <p>Assess vegetation and weeds; Address any shortfalls</p> <p>Apply for reclamation certificate</p>	<p>May 15, 2023 Completed May 15, 2023</p> <p>July 1, 2023; September 20, 2023 Completed June 1, July 1 and October 13, 2023</p> <p>November 1, 2023</p>

Kroeger, Stephen

From: Cory Pichota <cory.pichota@mantlegroup.ca>
Sent: October 25, 2023 4:15 PM
To: Maxwell Harrison
Cc: John.stout@rlholdings.com; Cumming, Tom
Subject: EPO-EPEA-35659-03 Hoye/Kucy Request for Extension

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

Hi Maxwell,

On behalf of Mantle Material Group Ltd. "Mantle" I am formally requesting an extension to EPO-EPEA-35659-03 Hoye/Kucy from the completion date of October 31, 2023 to May 15, 2024.

As you are aware on July 14, 2023, Mantle filed a notice of intention to make a proposal filed under Division I of Part III of the Bankruptcy and Insolvency Act, RSC 1985, c. B-3, as amended (the "BIA"), naming FTI Consulting Canada Inc. as proposal trustee of Mantle. As a result of filing the NOI we had to stop our operations until we received an order from the courts to continue operating which we received on August 18, 2023.

Due to this delay and scheduling with other EPO obligations Mantle has completed fish rescue, deconstruct the waterbody, completed the remaining recontouring activities and the placement of topsoil on October 9, 2023. The seeding of topsoil was not completed this year due to the time of year and freezing conditions.

Mantle proposes assessing the soil stability after spring thaw and seeding the topsoil with pasture mix prior to May 15, 2024.

Should you have any questions please contact me.

Regards,



Cory Pichota | President/Chief Operating Officer
Mantle Materials Group, Ltd.


Tel: 587-991-8440

Email: cory.pichota@mantlegroup.ca

Website: www.mantlegroup.ca

Follow us on: [Facebook](#) | [LinkedIn](#)

THIS IS EXHIBIT "KK" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

Kroeger, Stephen

From: Cory Pichota <cory.pichota@mantlegroup.ca>
Sent: October 25, 2023 5:00 PM
To: Heather Dent
Cc: John.stout@rlholdings.com; Cumming, Tom
Subject: EPO-EPEA-35659-07 / EO-WA-35659-01 SML 060060 Request for Extension

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

Hi Heather,

On behalf of Mantle Material Group Ltd. "Mantle" I am formally requesting an extension to EPO-EPEA-35659-07 / EO-WA-35659-01 SML 060060 from the completion date of October 31, 2023 to May 15, 2024.

As you are aware on July 14, 2023, Mantle filed a notice of intention to make a proposal filed under Division I of Part III of the Bankruptcy and Insolvency Act, RSC 1985, c. B-3, as amended (the "BIA"), naming FTI Consulting Canada Inc. as proposal trustee of Mantle. As a result of filing the NOI we had to stop our operations until we received an order from the courts to continue operating which we received on August 18, 2023.

Mantle received TFA 213266 on September 13, 2023 and commenced dewatering on September 14, 2023.

Due to these delays the seeding of topsoil was not completed this year due to the time of year and freezing conditions. Mantle will have completed remediation of recontouring of the constructed waterbody, and all remaining reclamation activities which include final fill, recontouring, and topsoil placement by October 31, 2023.

Mantle proposes assessing the soil stability after spring thaw and seeding the topsoil with pasture mix prior to May 15, 2024.

Should you have any questions please contact me.

Regards,



Cory Pichota | President/Chief Operating Officer

Mantle Materials Group, Ltd.

Tel: 587-991-8440

Email: cory.pichota@mantlegroup.ca

Website: www.mantlegroup.ca

Follow us on: [Facebook](#) | [LinkedIn](#)

Kroeger, Stephen

From: Cory Pichota <cory.pichota@mantlegroup.ca>
Sent: October 25, 2023 4:07 PM
To: Maxwell Harrison
Cc: John.stout@rlholdings.com; Cumming, Tom
Subject: EPO-EPEA-35659-01 MacDonald Request for Extension

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

Hi Maxwell,

On behalf of Mantle Material Group Ltd. "Mantle" I am formally requesting an extension to EPO-EPEA-35659-01 MacDonald from the completion date of October 31, 2023 to May 15, 2024.

As you are aware on July 14, 2023, Mantle filed a notice of intention to make a proposal filed under Division I of Part III of the Bankruptcy and Insolvency Act, RSC 1985, c. B-3, as amended (the "BIA"), naming FTI Consulting Canada Inc. as proposal trustee of Mantle. As a result of filing the NOI we had to stop our operations until we received an order from the courts to continue operating which we received on August 18, 2023.

Due to this delay and scheduling with other EPO obligations Mantle will have completed the remaining recontouring activities including disposal of the oversize rocks and the placement of topsoil by October 31, 2023, but will not complete the seeding of topsoil this year due to the time of year and freezing conditions.

Mantle proposes assessing the soil stability after spring thaw and seeding the topsoil with pasture mix prior to May 15, 2024.

Should you have any questions please contact me.

Regards,



Cory Pichota | President/Chief Operating Officer
Mantle Materials Group, Ltd.


Tel: 587-991-8440

Email: cory.pichota@mantlegroup.ca

Website: www.mantlegroup.ca

Follow us on: [Facebook](#) | [LinkedIn](#)

THIS IS EXHIBIT "LL" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

EPO-EPEA-35659-01
EPO-EPEA-35659-02
EPO-EPEA-35659-03
EPO-EPEA-35659-04
EPO-EPEA-35659-05
EPO-EPEA-35659-06/ EO-WA-35659-01
EPO-EPEA-35659-07
EPO-EPEA-35659-08
EPO-EPEA-35659-09
EPO-EPEA-35659-10

October 27, 2023

Mr. Cory Pichota
President and CEO
Mantle Materials Group, Ltd.
cory.pichota@mantlegroup.ca

Subject: Progress Update Report for Environmental Protection Orders and Enforcement Order

Alberta Environment and Protected Areas (AEPA) received a Status Update dated October 16, 2023, from Mantle Materials Group, Ltd (Mantle).

AEPA has completed the review of these status updates and provide the following comments for each of the pits both public land and private land.

PRIVATE LAND

MacDonald Pit - EPO-EPEA-35659-01

On June 8, 2021, AEPA accepted a Reclamation and Remedial Plan submitted by Mantle on March 27, 2021.

On September 01, 2023, AEPA completed an inspection of the MacDonald Pit. The inspection found the site not yet reclaimed and still requiring recontouring activities including the disposal of oversize rock, topsoil placement and seeding requirements. Reclamation work was estimated to take two weeks to complete and scheduled for completion closer to the end of October 2023. Mantle's October 16, 2023, Progress Update Report indicated that by October 31, 2023, the site would be recontoured, oversized rocks disposed, and topsoil placed.

The Schedule in the Remedial Plan includes a commitment to complete the remaining recontouring activities, place topsoil, and seed topsoil with pasture mix by June 15, 2022. The plan also required a six-month monitoring period, soil stability assessment and revegetation and weed assessment all before its Reclamation Certificate application submission deadline of November 1, 2023. At this time, Mantle is deficient in fulfilling this obligation as per its Remedial Plan.

Megley Pit -EPO-EPEA-35659-02

On August 20, 2021, AEPA accepted a Reclamation and Remedial Plan submitted by Mantle on June 11, 2021.

On September 22, 2023, AEPA completed an inspection of the Megley Pit. The inspection found that the site's open excavations that had intercepted groundwater had been filled in and the majority of recontouring activities completed. Mantle's October 16, 2023, Progress Update Report indicated that all remaining recontouring, topsoil placement and seeding activities were completed by September 12, 2023.

The Schedule in the Remedial Plan includes a commitment to have open excavations that intercepted the groundwater filled in by December 1, 2021, complete all major recontouring by December 15, 2021, with remaining contouring and topsoil placement completed by July 15, 2022. At this time, Mantle is deficient in fulfilling this obligation.

Hoye/Kucy Pit - EPO-EPEA-35659-03

On August 20, 2021, AEPA accepted a Reclamation and Remedial Plan submitted by Mantle on June 11, 2021

On August 15, 2023, AEPA completed an inspection of the Kucy Pit. The inspection found that the recontouring, topsoil placement, and seeding of topsoil had not taken place. Mantle's October 16, 2023, Progress Update Report indicated that the dewatering of the waterbody took place on September 15, 2023, with deconstruction of the waterbody, completion of the final recontouring and topsoil placement completed on October 9, 2023.

The Schedule in the Remedial Plan includes a commitment to complete the remaining recontouring, topsoil placement, and seeding of topsoil by July 15, 2022. A six-month monitoring requirement as per the EPO was due July 15, 2022, or earlier if final reclamation completed earlier followed by the assessment of the stability of the soil, revegetation success, and the assessment of weeds all due September 15, 2022. Further soil stability and vegetation assessment were required in the spring of 2023 with the submission of a reclamation certificate application to terminate the registration due November 1, 2023. At this time, Mantle is deficient in fulfilling this obligation.

Havener Pit - EPO-EPEA-35659-04

On April 28, 2023, AEPA sent Mantle a closure letter regarding EPO-EPEA-35659-04 as an Updated Activities Plan and security had been submitted restoring the pit to good standing.

Buksa Pit - EPO-EPEA-35659-05

On August 20, 2021, AEPA accepted a Reclamation and Remedial Plan submitted by Mantle on June 11, 2021

On September 01, 2023, AEPA completed an inspection of the Buksa Pit. The inspection found the site to have completed final recontouring including the disposal of oversize rock, topsoil placement and surface rock removal. Rocks that were extracted from the topsoil were placed along the south side of the site and used as erosion control. The end land use of the land is agricultural and is ready for the implementation of a crop. With no vegetation establishment required on the site at this time, the bank along the Hwy was the only area requiring seeding to prevent erosion. Mantle's October 16, 2023, Progress Update Report indicated a completion date of September 13, 2023, which included seeding.

The Schedule in the Remedial Plan includes a commitment of a six-month monitoring requirement as per the EPO with a completion date of October 20, 2022. During this time soil stability were to be assessed by September 15, 2022, and any shortfalls from the assessment rectified by September 20, 2022. A second soil stability assessment was due on May 15, 2023. At this time, Mantle is deficient in fulfilling this obligation. AEPA awaits the Reclamation Certificate application before November 1, 2023.

Okane Pit - EPO-EPEA-35659-06

On August 20, 2021, AEPA accepted a Reclamation and Remedial Plan submitted by Mantle on June 11, 2021.

On September 22, 2022, AEPA completed an inspection of the O'Kane Pit. The inspection found that no remedial work was conducted at this site as it required an updated Activities Plan including the submission of a *Water Act* approval for an end pit lake located on the west portion of the site.

Mantle's October 28, 2022, Progress Update Report indicated the updated Activities Plan was submitted March 10, 2022, and the *Water Act* approval submitted on October 14, 2022. On July 4, 2023, a formal request to transfer the pit from Mantle to Aarbo was submitted and the registration for the pit was transferred by EPA to Aarbo on September 28, 2023.

PUBLIC LAND**SML 060060 – EPO-EPEA-35659-07/EO-WA-35659-01**

On June 14, 2023, AEPA accepted a Revised Remedial Plan submitted by Mantle on May 12, 2023. The Status Update refers to revised Remedial Plan submitted January 27, 2023.

On August 15, 2023, AEPA completed an inspection of SML 060060. The inspection found the site to be dormant of any activities except for a Mantle employee taking water samples in preparation for dewatering activities. Reclamation appeared to be advanced from the state at time of last inspection, September 2022. Contouring appeared largely done except for some areas around the shoreline of the end pit lake.

The dewatering date reported in the Status Update, September 14, is not in alignment with the date provided in the Revised Remedial Plan, July 31, 2023. Similarly, the earthworks described in the Status Update were to be completed by September 30, 2023, but were still on-going at the time the Status Report was submitted. (AEPA recognizes some of the delay is attributable to internal reviews taking longer than expected that were required for the *Water Act* approval application required for dewatering activities.)

SML 930040 - EPO-EPEA-35659-08

AEPA accepts Mantle's work regarding weed management at the site. The Schedule in the Remedial Plan (Section 14), and repeated in the Status Update, includes a commitment to assess soil stability following spring thaw. This was to be completed by May 15, 2023, however this has not been included in this Update and Mantle is deficient in fulfilling this obligation. AEPA awaits the Reclamation Certificate application before November 1, 2023.

SML 980116 - EPO-EPEA-35659-09

AEPA accepts Mantle's work regarding weed management at the site. The Schedule in the Remedial Plan (Section 14), and repeated in the Status Update, includes a commitment to assess soil stability following spring thaw. This was to be completed by May 15, 2023, however this has not been included in this Update and Mantle is deficient in fulfilling this obligation. AEPA awaits the Reclamation Certificate application before November 1, 2023.

SML 120027 - EPO-EPEA-35659-10

AEPA accepts Mantle's work regarding weed management at the site. The Schedule in the Remedial Plan (Section 14), and repeated in the Status Update, includes a commitment to assess soil stability following spring thaw. This was to be completed by May 15, 2023, however this has not been included in this Update and Mantle is deficient in fulfilling this obligation. AEPA awaits the Reclamation Certificate application before November 1, 2023.

If you would like to discuss any work required by the EPOs for private land pits, , please contact Maxwell Harrison at maxwell.harrison@gov.ab.ca or by phone at (780) 960-8620. To discuss any work required by the EPOs for public land pits, please contact Heather Dent at heather.dent@gov.ab.ca or by phone at (780) 427-9335.

Yours truly,

Okey Obiajulu, P.Eng.
Regulatory Assurance Manager
Regulatory Assurance Division – North Boreal District

CC: Byron Levkulich in his personal capacity, on behalf of 2161889 Alberta Ltd. and on behalf of Mantle Materials Group, Inc. (Byron.levkulich@rholdings.com)

Aaron Patsch in his personal capacity on behalf of 2161889 Alberta Ltd. and on behalf of Mantle Materials Group, Inc. (aaron.patsch@rholdings.com)

Heather Dent, AEPA (heather.dent@gov.ab.ca)

Maxwell Harrison, AEPA (maxwell.harrison@gov.ab.ca)

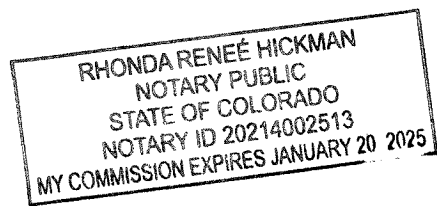
Nathan Polturak, AEPA (nathan.polturak@gov.ab.ca)

Colette Strap, AEPA (colette.strap@gov.ab.ca)

THIS IS EXHIBIT "MM" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado



Kroeger, Stephen

From: Heather Dent <Heather.Dent@gov.ab.ca>
Sent: November 9, 2023 11:48 AM
To: Cory Pichota
Cc: Maxwell Harrison
Subject: IMPORTANT CORRESPONDANCE: Response to Request for Amendments

Hi Cory,

I am following up on your recent requests concerning:

1. EPO-EPEA – 353659-01 (MacDonald)
 - a. Requesting the completion date of October 31, 2023 be amended to May 15, 2024.
2. EPO-EPEA-35659-03 (Kucy)
 - a. Requesting the completion date of October 31, 2023 be amended to May 15, 2024.
3. EPEA-35659-07 / EO-WA-35659-01 (SML 060060)
 - a. Requesting the completion date of October 31, 2023 be amended to May 15, 2024.

To consider these amendments, the Environment and Protected Areas requires clarification on certain points. These questions are necessary to ensure that all environmental protection obligations will be met post-bankruptcy proceedings. Please see the inquiries below:

1. During our meeting with Tom Cummings on September 25, 2023, there was uncertainty regarding whether Mantle will continue to exist as a corporate entity following the resolution of the bankruptcy proceedings. Can you provide some explanation of what legal entity that will assume responsibility for fulfilling the reclamation obligations on both the private and public lands pits after the bankruptcy process concludes?
2. What mechanism or financial safeguards will Mantle put in place to ensure that sufficient funds are available to satisfy its reclamation obligations on private and public land after the bankruptcy has concluded? Furthermore, where will the money to carry out the remaining reclamation work on these lands and other lands including public land in 2024, 2025 and beyond come from? Can you provide an operational overview of how this mechanism or trust will function over the next few years?

Thank you for your attention to these issues.

Heather Dent

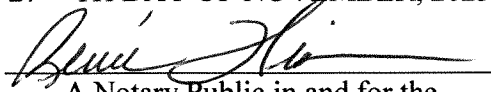
Compliance Manager
North East Boreal, Regulatory Assurance Division North
Alberta Environment and Protected Areas
Government of Alberta

1st Floor, Twin Atria Building
4999-98 Avenue
Edmonton, AB T6B 2X3

Office 780 427 9335
Heather.Dent@gov.ab.ca

Environmental Emergencies 1 800 222 6514

THIS IS EXHIBIT "NN" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING RSA 2000, c. E-12

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-14

Mantle Materials Group, Ltd., previously JMB Crushing Systems Inc.
P.O. Box 6977
Bonnyville, AB T9N 2H4

Byron Levkulich, Director
JMB Crushing Systems Inc. and Mantle Materials Group, Ltd.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc. and Mantle Materials Group, Ltd.
1400 16th Street, Suite 320
Denver CO 80202
United States

(Collectively hereafter referred to as the "Parties")

WHEREAS JMB Crushing Systems Inc. ("JMB") operated a sand and gravel pit (the "Pit") on a portion of public land legally described as NE-11-061-18 W4M (the "Lands") in the County of Smoky Lake, in the Province of Alberta;

WHEREAS on May 1, 2021, as part of the restructuring of JMB and 2161889 Alberta Ltd. ("216") under the *Companies Creditors Arrangement Act*, JMB, 216 and Mantle Materials Group, Ltd. amalgamated and continued as Mantle Materials Group Ltd. ("Mantle");

WHEREAS Byron Levkulich and Aaron Patsch are former Directors of JMB and 216, and are current Directors of Mantle;

WHEREAS the Pit is approximately 11.07 hectares in area. Appendix "A" to this Order contains a map showing the dimensions, location, and features of the Pit;

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

WHEREAS a "lease" is defined in the *Public Lands Administrative Regulations* (the "Regulation") to mean a surface material lease;

- 2 -

WHEREAS the Lands are contained in surface material lease 110025 (“SML 110025”) that is a disposition that was originally issued to Bonnie Badry under the *Public Lands Act* on February 12, 2014. SML 110025 expires on February 11, 2024;

WHEREAS on November 16, 2018, SML 110025 was assigned from Bonnie Badry to 216. Mantle is the current holder of SML 110025, as a result of the amalgamation of JMB, 216, and Mantle, in accordance with the *Regulation* for the Lands for the purpose of removing material by surface excavation;

WHEREAS “surface material” is defined in the *Regulation* to mean clay, marl, sand, gravel, topsoil, silt and peat;

WHEREAS on February 12, 2014, Alberta Environment and Protected Areas (“AEPA”) approved the Conservation and Reclamation Business Plan (the “CORP”) for SML 110025 (See Appendix B);

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

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

WHEREAS Clause 13 of SML 110025 states that the operator shall reclaim the surface of the land in a manner satisfactory to AEPA;

WHEREAS Clause 19 of the Schedule A – Operating Conditions to SML 110025 states that the operator is to reclaim all disturbed land surfaces within two growing seasons. Interim reclamation, including site and debris clean-up, slope stabilization, recontouring with subsoil, and spreading of topsoil shall be done progressively and concurrently with operations “(Operating Condition)”;

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

WHEREAS on July 14, 2023, Mantle commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*;

WHEREAS on September 8, 2023, Alberta Forestry and Parks (“FP”) advised Mantle that 40% of the surface materials from the Pit had been extracted to date. FP also asked Mantle by what date it would reclaim the Pit as required by the disposition, the CORP, the *Public Lands Act*, and the *Public Lands Administrative Regulation* and apply for a reclamation certificate under the Act;

WHEREAS on September 15, 2023, Mantle responded to FP that it was “looking to transfer the pit registration”. Mantle did not respond to FP’s direct questions about completing reclamation at the Pit or applying for a reclamation certificate. Further, Mantle was silent on any interim reclamation that had been completed at the Pit;

- 3 -

WHEREAS on September 19, 2023, FP requested assistance from AEPA to enforce outstanding reclamation obligations on five pits on public land for which Mantle is the disposition holder including the Pit;

WHEREAS on September 22, 2023, AEPA conducted a site inspection of SML 110025 and observed the following on the Lands:

- stockpiles of marketable and reject aggregate material;
- a berm along the northeast boundary composed of topsoil;
- the developed area of the Lands was levelled into a working area for pit operations, which may mean that extra work could be needed during ripping to loosen material for reclamation;
- two excavation areas within the levelled area of the Lands, one in the south and one in the west of the developed part of the Lands;
- slopes within the excavations appeared to be approximately between 1:1 and 1:4 which does not align with the Section 9.4 Wind and Water Erosion of the CORP that requires, during periods of prolonged inactivity, pit faces to be sloped to 2:1 to maintain stability and reduce erosion;
- slopes of the operations area down to undisturbed area in north of the lease appeared to be approximately 1:1 which does not align with the CORP that requires pit faces to be sloped to 3:1;
- erosional furrows from the surface down into the excavation areas;
- natural revegetation encroaching in both excavation areas; and
- that the western half of the Lands had not been disturbed for aggregate mining purposes.

WHEREAS Heather Dent, Compliance Manager, Regulatory Assurance Division, Boreal East District (the "Inspector") has been designated as an Inspector for the purposes of issuing Environmental Protection Orders under section 140 of the Act;

WHEREAS the Inspector is of the opinion that Mantle's financial resources, lack of interim reclamation or any stated intention related to its regulatory obligation to reclaim and conserve the Pit warrants enforcement of its obligations given that Mantle is the successor corporation of JMB and 216 that were restructured in 2021 and more recently in 2023, Mantle commenced restructuring proceedings; and

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

THEREFORE, I Heather Dent, Inspector, pursuant to section 140 of the Act, DO HEREBY ORDER:

1. Mantle shall complete the following actions at the Lands on or before **November 24, 2023**:
 - a. place overburden materials within the Pit to a minimum thickness of 1.5 m and create the base for the subsoil and topsoil placement by contouring the Pit with reject material and other soil materials available

- 4 -

for reclamation;

- b. establish grade and contour across the Pit so that:
 - i. internal slopes range from 10:1 to 6:1 and no slope is greater than 3:1 as required by Section 10.0 Planned Reclamation of the CORP (see Appendix B),
 - ii. side slopes are no steeper than 3:1 as required by the CORP (see Appendix B), Drawings – Dwg. No. 6,
 - iii. the 5 m buffer between the Lands and pipeline right of way contained in pipeline agreement PLA 910056, as required by Section 8.1 Buffers and Setbacks of the CORP (see Appendix B), is maintained;
 - iv. the 3 m undisturbed buffer along the Lands boundary, as described in Section 8.1 Buffers and Setbacks of the CORP(see Appendix B), is maintained;
 - v. the material along the common boundary between the SML 110025 south boundary and the lands contained in SML 110026's north boundary is to have slopes no steeper than 6:1 as described in Section 8.1 Buffers and Setbacks of the CORP(see Appendix B), and
 - vi. surface water drainage is to be directed to drain as shown in CORP (see Appendix B), Drawings – Dwg. No. 6;
 - c. rip the subsoil in the Pit to alleviate compaction;
 - d. place an average depth of 50 cm of subsoils over the Pit;
 - e. place an average depth of 15 cm of topsoil over Pit; and
 - f. roll back woody debris located on the surface of the Pit to provide surface roughness and a variety of microsites for plant establishment.
2. Mantle shall complete the following actions on or before **November 24, 2023**:
 - a. revegetate the Pit with poplar planting and distribution of tops of conifer trees harvested from the site during site development in accordance with the most recent CORP.
 3. Mantle shall complete the following actions on or before **November 24, 2024**:
 - a. Monitor the Pit and take all necessary steps to:

- 5 -

- i. prevent erosion on all slopes of the Pit,
 - ii. control weeds in accordance with *Weed Control Act*,
 - iii. ensure the revegetation required by clause 2 has established and is of acceptable density, height, and/or yield. Where needed, supplement revegetation by seeding with an approved mixture and/or planting native species to achieve effective revegetation of the Lands.
4. Mantle shall apply for a reclamation certificate as per Section 134 of the Act by **January 1, 2025**.

Mantle shall submit progress updates to the Inspector on **December 20, 2023**, **June 30, 2024**, and **January 1, 2025**, that include a detailed summary of all the reclamation activities including monitoring required in clause 1 to 3 inclusive in this order undertaken at the Pit.

DATED at the City of Edmonton in the Province of Alberta, this 18 day of October 2023.

Heather Dent, Inspector
Regulatory Assurance Division-North

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

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

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

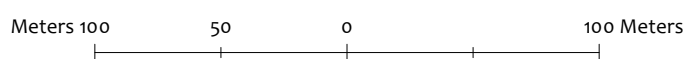
Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

APPENDIX A



Mantle Materials - Smoky Lake Pits
SML120005

Scale 1 : 3,000



- - - Cutline/Trail
- Two Lane Gravel Road
- Pit (22.15 ha)
- Dispositions

Information as depicted is subject to change, therefore the Government of Alberta assumes no responsibility for discrepancies at time of use.
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Service Layer Credits: Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community
Resolution: 0.5m
Accuracy: 5m
Imagery Date: 20220830
Source: Maxar



Coordinate System: NAD 1983 UTM Zone 12N
Produced by Northeast Geospatial Unit
Created by: rhonda.connors on 10/6/2023
Project # NE-0817_SML120005
Base Data provided by the Government of Alberta under the Alberta Open Government Licence.

APPENDIX B

CONSERVATION AND RECLAMATION
BUSINESS PLAN


AND

ADDENDUM

APPROVAL FOR

SURFACE MATERIAL LEASE NO

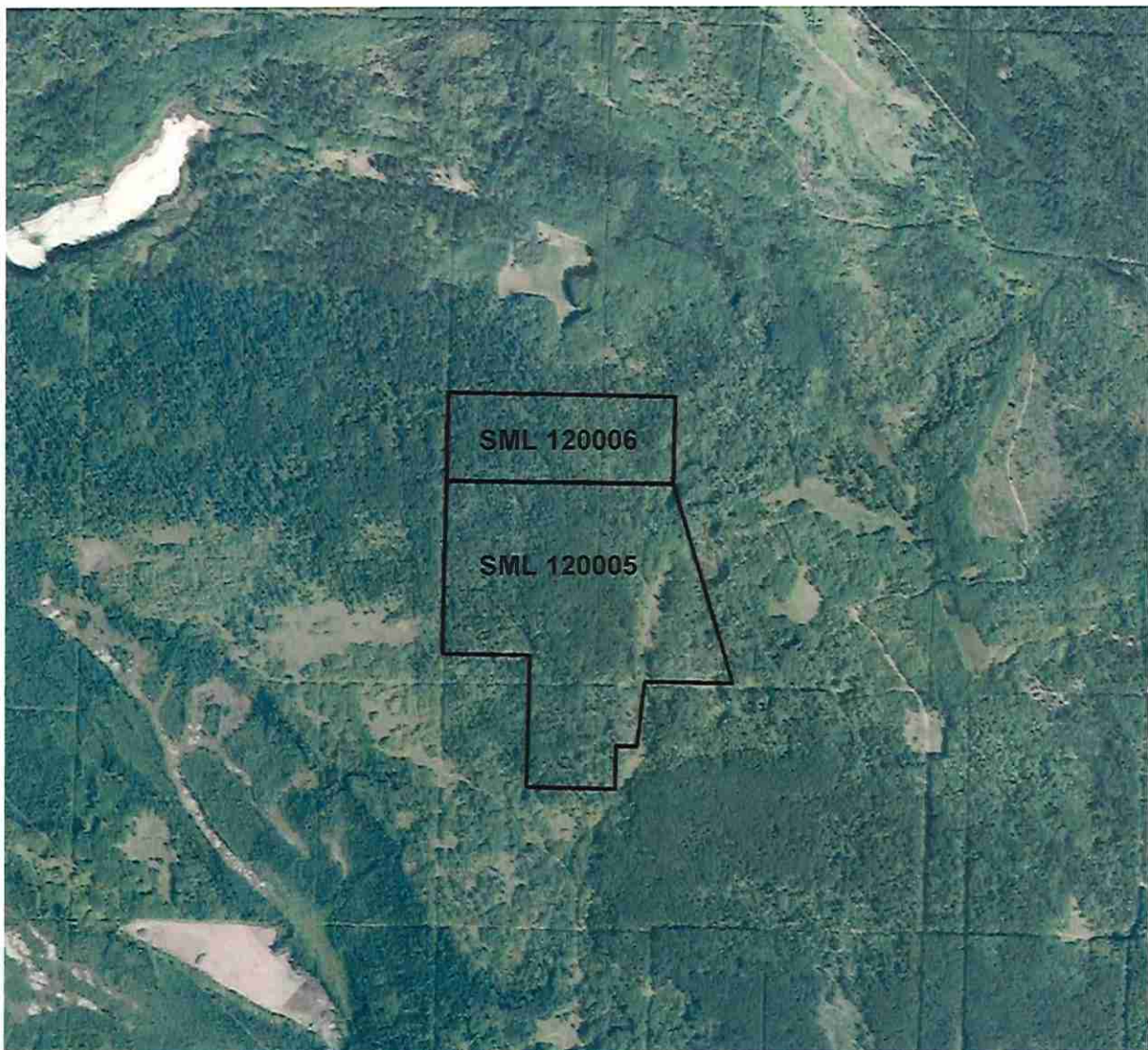
SML 120005

Conservation and Reclamation Business Plan
Plan Approved Date: 07.5/17
ORE no. 140072

The Director of Land

Conservation and Reclamation Business Plan

Surface Materials Leases

SML 120005 & SML 120006



SML Boundary over air photograph (Valtus Image, July 31 to Sept. 2011)

Sketches and illustrations are conceptual composites

*Prepared for Jordan Ball and Cathy Ball by Tor Land Resource Inc.
Revised September 2016; Created December 2013*

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

PREFACE

This is the revised Conservation and Reclamation Business Plan (CRBP) for SML 120005 and SML 120006. Changes from the original SML are found in **blue font**. Figures, tables, reports and drawings found throughout the document have also been updated to match the revised CRBP or added to provide clarity.

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

SUMMARY

SML 120005 and 120006 are located within parts of NW and SW 14-061-18-W4M. The Leaseholders plan to extract the sand and gravel within the lease areas to meet the demand for aggregate for private and public projects in Smoky Lake County, Sturgeon County and the Edmonton area.

The area is currently treed and has a grazing lease. Lease holder letters of consent are attached (Appendix E).

The site is accessed from the south by Range Road 181 and undeveloped government road allowances.

The SMLs are in a remote location, far from homes and recreation areas; neighbouring activities are industrial, and the area does report as a sensitive area for long-leaved bluets (*Houstonia longifolia*). A site investigation determined they are not present within the SMLs.

A wildlife survey was conducted in the SML to determine if any "Sensitive" species were present. Of the six sensitive bird species reported, the Least Flycatcher and Western Wood-pewee are of most concern as the SML areas have ideal for foraging and nesting. However, impact on these birds and all wildlife in the area will only be temporary. Tree clearing will occur prior to March 15th, or following a site-review to ensure that the nesting of migratory birds is not disturb. The site will be developed in stages and progressively reclaimed to grazing land as requested by AEP field office. Grazing land will provide more edge habitat and open space, which is ideal for the Least Flycatcher, and Western Wood-pewee.

The site will be cleared in multi phases and trees will be salvaged. Arrangements will be made with Vanderwell Contracts Ltd. or with any other available logging company, once approval is given.

The reclaimed site will be suitable for grazing, although it is recommended that the area be returned to wildlife habitat by the wildlife biologist. The slopes and topography of the reclaimed site will be gentle and rolling hills. Revegetation by natural succession is expected during the phased operation. Native trees will be transplanted in islands from the next area to be cleared and will supplement native revegetation from the seedbank within the salvaged soils. As the reclamation is monitored, additional seeding of native seeds will enhance revegetation.

Conservation and Reclamation Business Plan
 Applicant: Jordan Ball and Cathy Ball
 Parts of NW and SW 14-061-18-W4M
 SML 120005 and SML 120006

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- Appendix B: Soil Survey Report
- Appendix C: Plant Species Observations, Weed Survey Form, Weed Survey, ACMIS Search Results, Sensitive Plant Search, and Ecosite Classification,
- Appendix D: Wildlife Survey by Bighorn Wildlife Technologies Ltd., FWMIS Report, and AER Landscape Analysis Tool Report
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1.0 INTRODUCTION

1.1 Development Overview

The bulk volume of mineable aggregate in SML 120005 (Jordan Ball) and SML 120006 (Cathy Ball) is approximately 3,960,730 m³; the leaseholders propose to extract aggregate for private and public projects in Smoky Lake County, Sturgeon County and the Edmonton area. It is estimated that the gravel will be removed from the SMLs over a period of 10 to 15 years; however, market demand will significantly affect the timing for completion.

Mining is sequenced within two large mining blocks, MB1 and MB2, which are subdivided into sub-blocks for the purpose of illustration of the progressive reclamation. The operation, including the progressive reclamation and reclamation phase, is illustrated in five phases (see Appendix F, DWG 2).

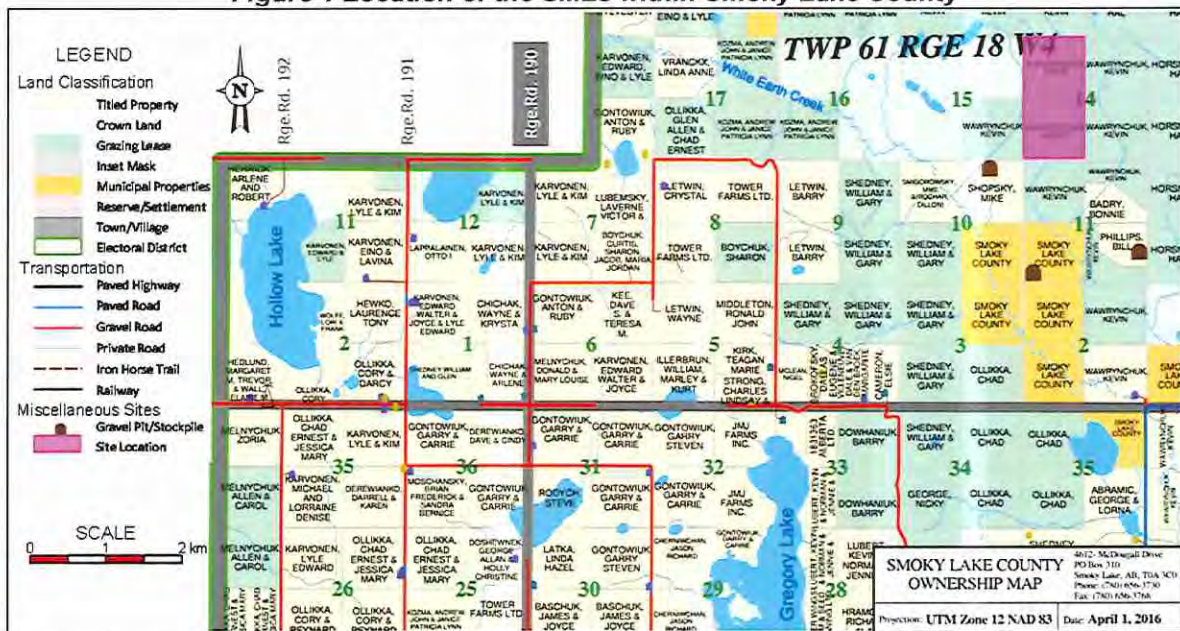
Operations will include tree clearing and salvage, soil stripping and salvage, aggregate excavation, crushing, screening and stockpiling. A temporary portable asphalt plant may produce product for infrequent short periods under the [Code of Practice for Asphalt Plants](#).

Once mining operations are complete, the site will be reclaimed to a treed and grass environment suitable for wildlife habitat.

1.2 Location and Ownership

The Crown Dispositions are located approximately 26.2 km (driving distance) north of Smoky Lake within parts of NW and SW 14-061-18-W4M in Smoky Lake County (as seen in Figure 1).

Figure 1 Location of the SMLs within Smoky Lake County



Source: Smoky Lake County; accessed June 16, 2016 [1]

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
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2.0 MUNICIPAL REQUIREMENTS

2.1 Development Permit

The lease holders will apply for and maintain a Development Permit from Smoky Lake County.

3.0 ALBERTA GOVERNMENT REQUIREMENTS

3.1 Alberta Land Survey

Alberta Public Land Survey surveys were completed for the SML's boundaries by Gillmore Surveys (Arctic) Ltd. and the survey plan are dated November 5, 2013 (Appendix A).

4.0 ACCESS

4.1 Transportation Plan/Haul Route

Access to the site is along the west side of SML 120005 (see Appendix F, DWG 2). Hauling will be the access approximately 0.7 km south and 1.6 km east along the undeveloped Road Allowances. Then, it continues south along range road 181. From range road 181, trucks can continue south, or go east or west. A development permit from Smoky Lake County will address the haul route.

5.0 SITE EVALUATION

5.1 Site Assessment Method

On-site assessment was conducted during the testing phase on November 22, 2011. Further analyses were completed by examining test data (Appendix A) and by referencing various maps, reports, websites, and etc. (see References section). The Geographic Land Information Management Planning System (GLIMPS) was searched on October 08, 2013 to determine other interest holders. The Alberta Energy Regulator (AER) Landscape Analysis Tool (LAT) was referenced to identify areas of special concern (Appendix D) [2]. Base data and geo-referencing information were obtained from Abacus Datagraphics [3] and AltaLis [4].

5.2 Testing

Testing of this area was completed November 23 to 26, 2011 as part of SME 100280; 15 test holes within the SML boundaries and 14 near the SML boundaries were drilled using a tracked skid steer with a 6 inch diameter flighted auger system. Rock content was determined by auger resistance and the matrix was observed as the augers brought the materials to the surface. Test logs are provided in Appendix A and test locations are shown on DWG 1A, 1B.

The client completed additional logs from excavator test pits on March 05 to 09, 2012 and March 15, 2012. The locations of these test holes and test logs are provided in Appendix B and on DWG 1C.

5.3 Depth and Volume of Deposit

The sand overburden depth ranges from 0 to 3.6 m, and where present, is on average 1.5 m deep. Where mineable gravel is present, the thickness of the gravel units range from 0.6 m to 12.8 m and are on average 6.6 m. Most commonly, gravel is at the surface and there is a second mineable gravel layer below sand or low rock content gravel. These sand and low rock content gravel layers and lenses range in thickness from 0.6 to 5.4 m and are on average 2.7 m. The maximum depth of excavation will be 18.2 m.

The volume of gravel in each SML is estimated below:

- SML 120005: 3,479,300 m³
- SML 120006: 481,430 m³

The quality of the gravel unit ranges from medium (35 to 50% rock content) to high (greater than 50% rock content) and the gravel is within a sand matrix.

6.0 AREAS OF REGULATORY CONCERN

6.1 Wildlife and Vegetation Sensitivities

No plant or animal species with “At-risk” status are known to occur in the area [3], [5]. AER LAT reported no special features (wildlife or regions) in the SMLs [2], and the Fish and Wildlife Management Information System (FWMIS) reported no species present (fish or wildlife) in 3 km radius from the area, so a second report with a 5 km radius was generated [6]; both reports are found in Appendix D. A wildlife survey was conducted on July 15, 2016 by Beth MacCallum (P. Biol. MEDes), who was assisted by Manna Parseyan (Tor Land Resource Inc. Planner) and guidelines specified in [Sensitive Species inventory Guidelines](#) will be followed. It was reported that on site:

- 23 bird species were observed
 - o 17 are currently listed as “Secure”
 - o 6 are currently listed as “Sensitive”
 - o no Sharp-tailed Grouse, waterfowl, boreal raptors, or owls occurrences
- couple occurrences or sightings of black bear, coyote, red squirrel, ground squirrel, moose, and deer
- no amphibians occurrences

See section 7.4 or the Wildlife Report in Appendix D for more information.

Alberta Conservation Information Management System (ACIMS) data search results reported that the SMLs are within a sensitive area for long-leaved bluets (*Houstonia longifolia*) [7]. A detailed site investigation was carried out for long-leaved bluets; however, there were no occurrences of the sensitive species (see Appendix C for more details).

6.2 Migratory Birds

The nesting period for migratory birds is from early April to August 31 [8]. Clearing will take place either prior to March 15, or if clearing is to take place during the nesting period, the operator will consult with a qualified professional to inspect the area to ensure there are no active migratory bird nests present prior to clearing the vegetation. If any active nests are found, those areas will not be disturbed until the qualified professional advises it is safe to do so.

6.3 Fisheries Act

Pit operations in the SMLs will not affect fish or fish habitat. White Earth Creek is located approximately 1350 m south of the SML 120005. Along all SML boundaries surface runoff will be retained on-site because slopes dip towards the centre of the SMLs (DWG 3A, 3B, 3C, 4). Surface runoff will not be pumped off the SMLs. Progressive reclamation will begin as soon as possible to re-establish vegetation.

6.4 Historical Resources

The current Historical Sites and Areas Document were reviewed and an HRV is not assigned for these areas (19). Signed Applications for Historical Resources Act Clearance are included in Appendix C.

6.5 Parks/Other Protected or Special Areas

The nearest park/protected/special area is Hanmore Lake Provincial Recreation Area, located approximately 3.6 km (straight line) northeast of SML 120006. The SML is far enough away from the park that no impact will occur to the features within the park, and recreational users will not see or hear pit activities.

The SMLs do not lie within or adjacent to a Natural Area, Eco-reserve, or Heritage Rangeland. There are no known permanent or research sample plots, or Rangeland Benchmarks within 100 m of the SML boundaries.

6.6 First Nations Consultations

First Nations consultation with Saddle Lake, Whitefish (Goodfish), and Beaver Lake First Nations is complete (FNC # 201300671 and FNC # 201300557) (found in Appendix E).

6.7 Other Interest Holders

There are few interest holders in this area. Within W½ 14-061-18-W4M:

- TPA 951 Elmer Cardinal
- GRL 40194 Kevin Wawrynchuk
- LOC 080963 Canadian Natural Resource Limited
- MSL 081288 Canadian Natural Resource Limited
- PNT 830854 Athabasca Office - Rangeland District - Lands Division

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- DRS 000006 Transportation
- CRP 040034 Transportation
- PLA Canadian Natural Resource Limited

An agreement has been reached with GRL 40194 holder Kevin Wawrynychuk (found in Appendix E), and a notification will be sent to Elmer Cardinal (holder of TPA 951) 10 days prior to project development, as suggested in [Guidelines for Acquiring Surface Material Dispositions on Public Lands](#) [9]. No FMA holder for this area.

7.0 EXISTING LAND USE & BIOPHYSICAL CONDITIONS

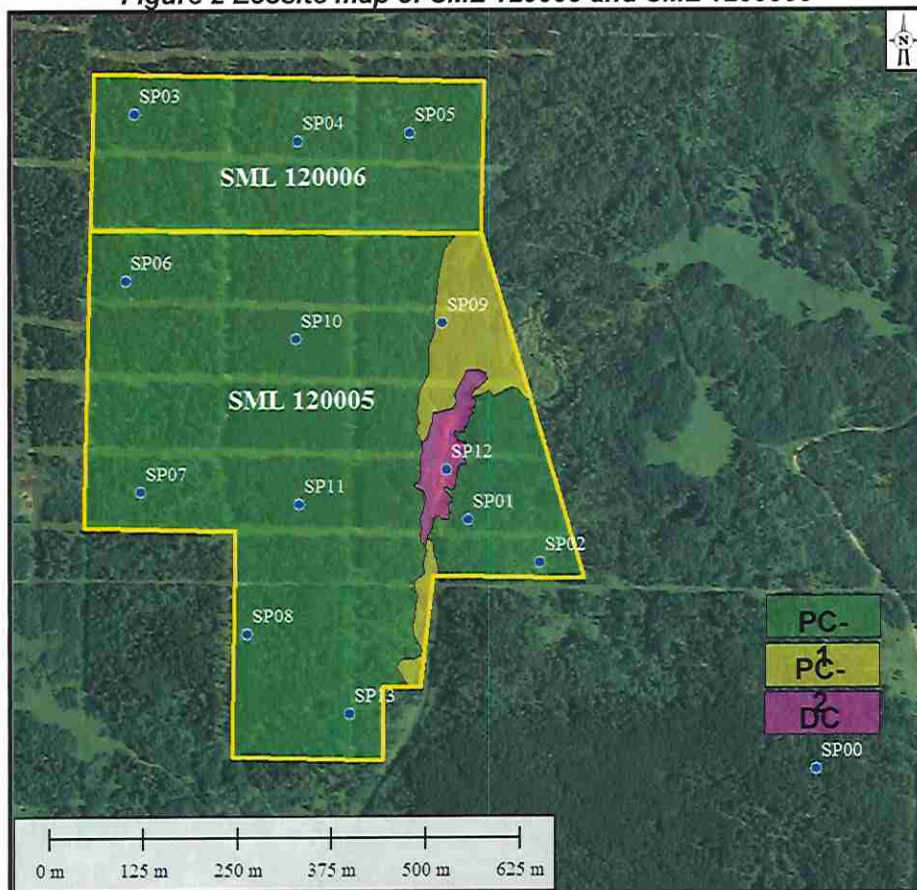
7.1 Existing Land Use and Disturbances

The SMLs area is currently forested wildlife habitat and a grazing lease area. There are trails and cutlines in the area (DWG 1A, 1B). Existing site conditions are described in Appendix B (soil), Appendix C (vegetation) and Appendix D (wildlife); the assessments were carried out by qualified team members.

7.2 Vegetation

The SMLs lie within the Central Mixedwood subregion of the Boreal Forest natural region [10]. The vegetation is dominated by mature spruce (70%). The forest is mixedwood ("CD" 70-50% coniferous trees). The ratio of spruce to pine is estimated at 4 to 1 and the ratio of aspen to other deciduous trees is estimated at 9 to 1.

Figure 2 Ecosite map of SML 120005 and SML 120006



Source: Valtus Imagery Inc. [11]; altered in Global Mapper

The ecosite polygons were delineated on 1:3200 scale aerial photograph, as seen in Figure 2. Undisturbed plant communities were classified using the dichotomous keys and plant community indicators described for the Boreal Mixedwood natural region in Field Guide to Ecosites of Northern Alberta [12], summarized in Table 1. The disturbed and grazed area could not be classified to a natural plant community type. Please refer to Appendix C, under Ecosite Classification for more information.

Table 1 Natural and disturbed plant community types observed on-site [12]

Figure Label	Ecosite Code and Name	Ecosite Phase Code and Name	Plant Community Code and Name	Area (ha)
PC -1	b – blueberry	b1 – blueberry Pj-Aw	b1.1 – Pj-Aw/blueberry-bearberry	38.9
PC - 2	d – low-bush cranberry	d1 – low-cranberry Aw	b1.2 – Aw/saskatoon-pin cherry	2.2
DC	disturbed, cleared, and grazed area			0.8

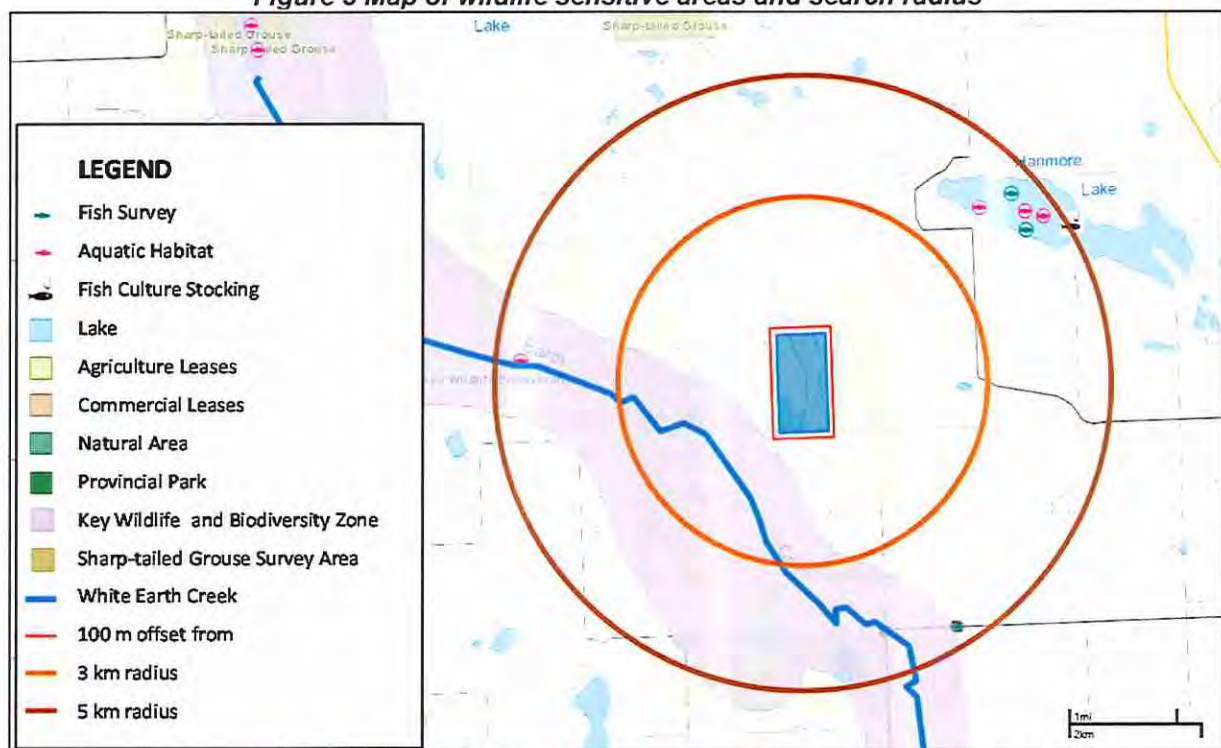
7.3 Forest Capability

The Canada Land Inventory for Forestry classifies the majority of the lease areas as 80% Class 5MF and 20% Class 6W [13]. The site has moderately severe to severe limitations to the growth of commercial forests due to soil moisture deficiency, low fertility, and soil moisture excess.

7.4 Wildlife

As previously mentioned the AER LAT and FWMIS reported no sensitive features, or wildlife and fish inventory. The search radius used in FWMIS was increased from 3 km to 5 km. As seen in Figure 3, the 5 km radius includes more of the Key Wildlife and Biodiversity Zone and Hanmore Lake and starts to approach the Sharp-tailed Grouse Survey Area north of the site. The wildlife survey conducted on July 15, 2016 found no evidence of Sharp-tailed Grouse. Sharptails choose habitat based on openness of landscapes, and prefer low density Boreal forest. The open landscape enables aggressive displays by males, while the sparse vegetation provides cover from predators. This type of habitat is only found in a small area on the SW corner of the lease.

Figure 3 Map of wildlife sensitive areas and search radius



Source: [Fish and Wildlife Management Information System](#); accessed June 21, 2016

Using the 5 km radius, Table 2 summarizes the “Sensitive” species reported by FWMIS.

Table 2 Summary of sensitive species reported by FWMIS [6]

Common Name	Scientific Name [14]	2010 Status [15]	Typical Habitat [16] [17]
Canada Lynx	<i>Lynx canadensis</i>	Sensitive	Forest
Western Toad (Boreal Toad)	<i>Anaxyrus boreas</i>	Sensitive	Ponds, streams, or lakes
Common Yellowthroat	<i>Geothlypis trichas</i>	Sensitive	Scrub (wetlands/praries/forest)
Great Blue Heron	<i>Ardea herodias</i>	Sensitive	Marsh
Great Gray Owl	<i>Strix nebulosa</i>	Sensitive	Dense timber
American Green-winged Teal	<i>Anas crecca</i>	Sensitive	Marsh
Least Flycatcher	<i>Empidonax minimus</i>	Sensitive	Forest
Lesser Scaup	<i>Aythya affinis</i>	Sensitive	Ponds, or lake
Sandhill Crane	<i>Grus canadensis</i>	Sensitive	Marsh
Sedge Wren	<i>Cistothorus platensis</i>	Sensitive	Marsh
Sora	<i>Porzana carolina</i>	Sensitive	Marsh
Western Wood-pewee	<i>Contopus sordidulus</i>	Sensitive	Woodland edges or riparian zones

Due to the possibility of sensitive species being found on-site, a wildlife survey was conducted by Beth MacCallum (P. Biol. MEDes) on July 14 and 15, 2016. Please refer to the Wildlife Survey (in Appendix E) for complete observations and comments. The only sensitive species that were observed on or in the vicinity of the SMLs were:

- Barn Swallow (*Hirundo rustica*), Least Flycatcher (*Empidonax minimus*), and Western Wood-pewee (*Contopus sordidulus*) were seen on site
- signs of Pileated Woodpecker (*Dryocopus pileatus*) foraging in the study area
- common Nighthawk (*Chordeilis minor*) was heard on the road between study areas
- Black Tern (*Chidonais niger*) was observed from HWY 28

However, no roost sites were found for the Barn Swallows and the jack pine trees were too small for the Pileated Woodpecker to nest, so the SMLs are probably only used as foraging areas. The common Nighthawk was only heard when on the forest road, and is reported to nest in a wide range of habitats; therefore is not exclusive to the SML areas. The habitat for the Black Tern does not occur within the SMLs, and the one observed most likely nest on Smoky Lake. The only sensitive birds of concern are the Least Flycatcher and Western Wood-pewee, however they were no common to the area, and prefer edge habitat and open spaces, therefore there displacement from the SML areas would only be temporary. There were no occurrences of waterfowl or shorebirds on, due to the lack of waterbodies or wetlands in the area.

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In terms of mammals, typical species were found. There were signs of black bears, coyote, moose and deer in the area, and a Red squirrel, a Richardson's Ground squirrel, and whitetail deer were observed. No amphibians were found on site.

Overall, the area with the SMLs was not found to have any unique wildlife habitat, compared to the surrounding area, therefore no permanent impact is expected on the wildlife in this area. Migratory birds may nest within the site; therefore, tree clearing activity will be conditional (see section 6.2). The SML will be developed in phases and progressively reclaimed to minimize the length of time that wildlife is displaced. The site will be reclaimed through natural regeneration and succession, and tree planting. The reclaimed land will be grazing land as requested by AEP field office.

7.5 Soils

Regional soil studies describe the soils in the areas as follows:

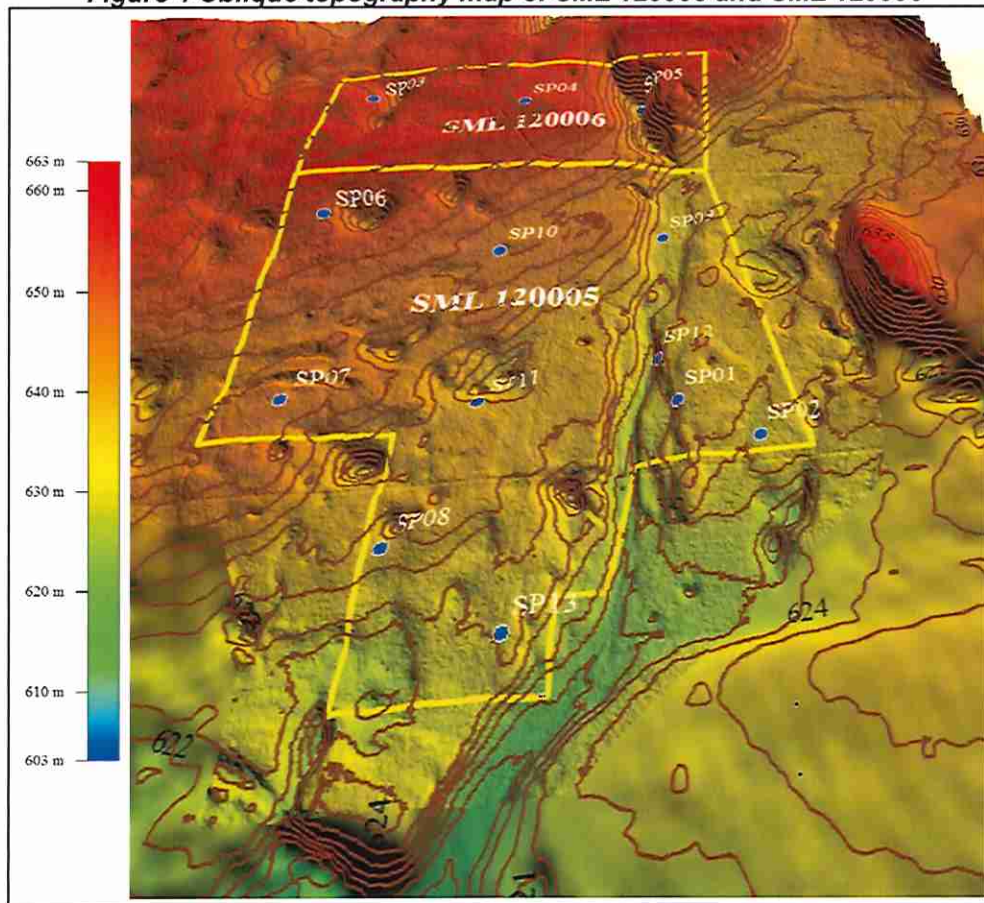
- Orthic gray luvisol and dark gray luvisol; the area contains soils that are coarser textured than the dominant or co-dominant soils (AGRASID Soil Polygon 21830) [18]
- 50% degraded dystic brunisol, loamy sand, rapidly drained (Nestow); 30% degraded eutric brunisol, coarse loamy sand, rapidly drained (Edwand); 20% degraded eutric brunisol and brunisolic gray luvisol, sandy loam and loamy sand, rapidly drained (Nicot Complex) [19], [20]

The initial site visit in November 23 to 26, 2011 and subsequent observations (22 back hoe excavation carried out in March 05 to 09, and March 15, 2012) indicate that the thickness of topsoil varies across the site. Most recently, a soil survey was completed on July 14 and 15, 2015. Refer to Appendix B for a plan-view map of sampling location and an observations summary.

7.6 Topography

The topography is gently rolling to hummocky. Slopes range from gentle [6-9% (10:1)]. Figure 5 shows the topography of the area, and the statistics are summarized in Table 3.

Figure 4 Oblique topography map of SML 120005 and SML 120006



Source: LiDAR Data sourced from AltaLis [4]; contours added in Global Mapper

Contours at 1m intervals were generated in Global Mapper software from bare earth LiDAR data, which was collected between August and November of 2009. The image has been vertically exaggerated 5 times.

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Table 3 Topographic statistics of SMLs from Global Mapper

Parameter	Unit	SML 120005	SML 120006
perimeter	(km)	2.59	1.44
area	(ha)	31.58	10.54
surface area	(ha)	31.65	10.57
minimum elevation	(m)	620.13	624.07
minimum elevation	(x)	396158.28	396222.23
minimum elevation	(y)	6014819.69	6015576.73
maximum elevation	(m)	634.76	635.62
maximum elevation	(x)	395809.61	395799.69
maximum elevation	(y)	6015524.81	6015553.90
average elevation	(m)	627.21	632.62
mode elevation	(m)	629.10	634.00
standard deviation elevation	(m)	2.76	2.24
maximum slope	(deg)	24.06	21.00
maximum slope	(%)	44.65	38.38
average slope	(deg)	3.14	3.62
average slope	(%)	5.49	6.32
standard deviation slope	(deg)	2.10	2.69
standard deviation slope	(%)	3.67	4.70

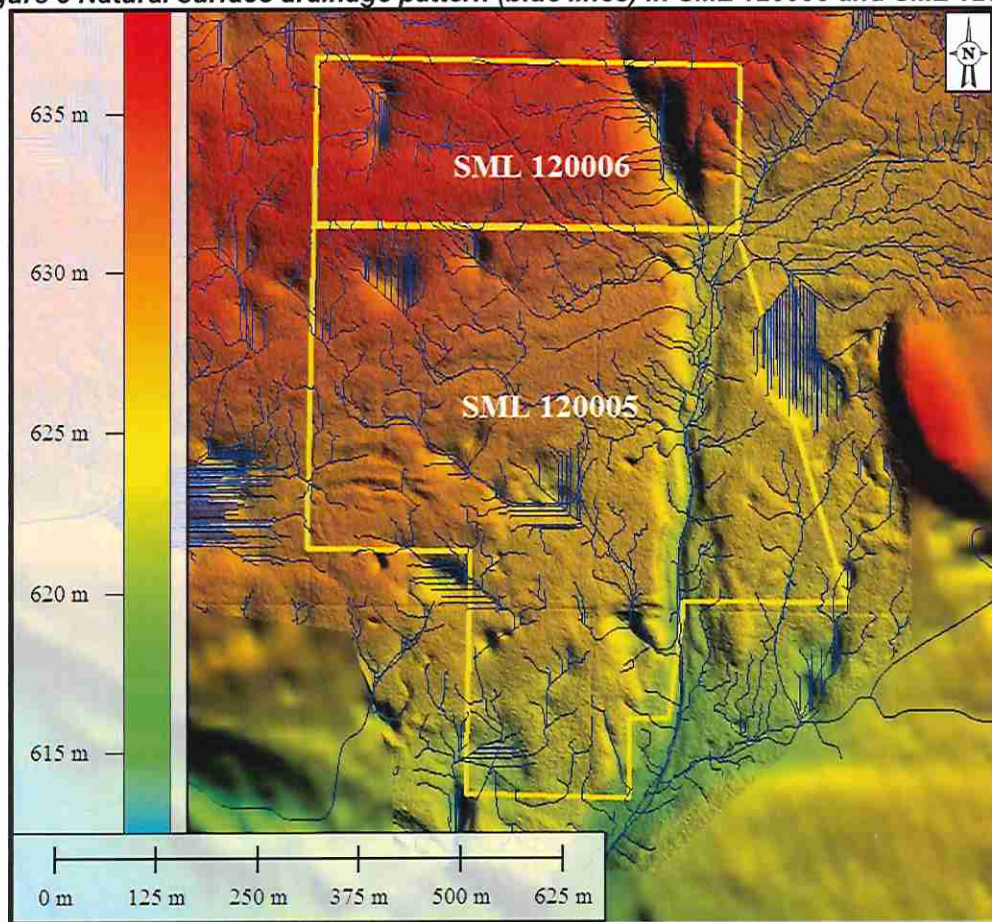
7.7 Storm Water and Surface Drainage

The site does not contain and is not adjacent to a permanent water body. There is an ephemeral draw, which is shown on the Smoky Lake County Ownership Map passing through the SMLs (see Appendix F, DWG 1A, 1B) [11]. Local surface drainage patterns are likely where hummocks are present. The general direction of surface drainage is from north to south, see Figure 5. Overland flow is unlikely because the permeable gravel deposit is at the surface – rainfall and snowmelt infiltrate the gravel before flowing in the subsurface towards the lower south.

A temporary portable asphalt plant will be located on a compacted pad. Berms will be constructed around the asphalt plant and asphalt haul route to contain any surface runoff. A HDPE liner will be installed under oil transfer area (see section 9.5 for more information about asphalt plant).

Along all SML boundaries, surface runoff will be retained on-site because slopes dip towards the centres of the SML areas (DWG 3A, 3B, 3C and 4). Surface runoff will not be pumped off the SMLs. Progressive reclamation will begin as soon as possible to re-establish vegetation.

Figure 5 Natural surface drainage pattern (blue lines) in SML 120005 and SML 120006



Source: LiDAR Data sourced from AltaLis [4]; contours added in Global Mapper

7.8 Hydrogeology

The closest water well is located in SW 22-061-18-W4M (1827830) which is more than 5 km away from the SMLs [21]. It is an Alberta Environment monitoring well. The extraction operation operations are dry and far enough from the water wells that no impact is expected.

Only one test hole within SML 120006 (TL 51 at 12.8 m) encountered wet materials (Appendix A, DWG 1A, 1B). The water table has not been established in the SML areas. The operations will be dry.

It is likely that the SMLs are recharge areas because coarse materials are at the surface, and no springs or water bodies occur in the SML areas.

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7.9 Geology

The bedrock in the SML area is from the Late Cretaceous Belly River group: non-marine, grey to greenish grey, thick-bedded, feldspathic sandstone; greys clayey siltstone, grey and green mudstone; concretionary ironstone beds [22]. No test holes or test pits intersected the bedrock.

The leases are located on a rolling and hummocky plain that is adjacent to and oriented parallel with a melt water channel that is occupied by the modern White Earth Creek. The geological origin of the sand and gravel is likely ice-contact fluvial [23].

7.10 Stratigraphy

The stratigraphy varies across the SMLs (DWG 3A, 3B, 3C). Generally, there is an alternating sequence of gravel and sand. Most commonly, gravel is at the surface and there is a second mineable gravel unit below a layer or lens of sand or low rock content gravel. There are places where the sand unit below gravel outcrops as overburden. There are also places where discontinuous sand bodies overly the topmost gravel unit. In the north west of SML 120006 the material is sand dominated (DWG 3A, 3B, 3C).

The quality of the gravel unit ranges from medium (35 to 50% rock content) to high (greater than 50% rock content).

8.0 DEVELOPMENT PLANNING

8.1 Buffers and Setbacks

There will be an undisturbed buffer of a minimum width of 3 m from the boundary of the SML. The buffer will protect tree roots of trees adjacent to the boundary and minimize fall-in.

A maximum setback of 45 m is shown along all SML boundaries. Setback was calculated by multiplying the average maximum depth of the excavation (15 m) by 3 (for a slope of 6:1). The setback may be mined if there is sufficient overburden or elimination for reclamation or the depth of excavation is less than 15 m.

The maximum pit size is estimated to be 42 ha, and volumes of material mined are

Table 4 Bank volumes of material mined

Material	Average Depth (cm)	Approximate Volume (m ³)
Topsoil	7.8	32,000
Subsoil	9.6	40,000
Overburden	1,500	630,000
Sand	2,700	1,134,000
Reject Material	-	7,500,000

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Reject material refers to aggregate rejected due to poor quality, high sand content, and screenings from the crushing process. The maximum amount of material required to produce 6:1 slope over a perimeter of 3000 m is approximately 1,012,500 m³. It is expected that the volume of overburden and sand will produce the required slopes; additionally, a significant volume of reject material will be left for sloping and contouring.

8.2 Site Preparation

Prior to clearing an AEP Timber Permit will be applied for. The salvage of the predominant jack pine will be completed by either Vanderwell Contractors Ltd. or other available logging companies in the area. It is estimated that approximately 3 to 4 truckloads will be removed per hectare. Tree clearing will occur in two phases, see section 8.3, Table 5 and Table 6 for sequencing or see Appendix F, DWG 2 for illustrations; tree clearing will be approximately 2 mining blocks ahead of stripping and development. The timing will be primarily market driven with the exception of wildlife consideration. Tops of conifers will be salvaged for seed distribution during reclamation. Logs and salvageable debris will be hauled off-site.

The majority of unsalvageable wood debris will be burned and minimize fire hazard (municipal permit will be acquired and plans to burn will be discussed with the AEP Field office). The remaining wood debris will be used for roll-back and be partially buried within the topsoil as a temporary erosion control (as suggested in section 8.7 [Guidelines for Acquiring Surface Material Dispositions on Public Lands](#) [9]). The partially buried wood debris as roll-back will provide suitable microsites for seed establishment and small animal habitat; access by recreational ATVs will also be minimized by roll-back.

Topsoil (A horizon and the duff layer) and subsoil will be stripped and stockpiled separately as seen in Appendix F, DWG 2. Overburden (where available) will be stripped in a separate lift to expose the minable aggregate. As summarized in Table 4, there will be approximately 32,000 m³ of topsoil and 40,000 m³ of subsoil.

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8.3 Mining Sequence

The planned clearing, mining, progressive and full reclamation activities are summarized in Table 5, and Table 6 breaks down the development and mining sequence into phases. Refer to Appendix F, DWG 2 for visual presentation of mining sequence.

Table 5 Summary of development, reclamation, and monitoring activities

Site Location	W1/2 Sec 14- 061-18-W4
Site Dimensions	SML120005 (31.61 ha) SML120006 (10.40 ha) Total = 42.01 ha
Development Design	Two Logging Phases within the 5 Phases of mining and reclamation. Sequential Mining and Concurrent Aggressive Progressive Reclamation is sequenced through 6 Mining Blocks (MB1A, MB1B, MB1C, MB2A, MB2B, MB2C). An initial stockpile and processing area (SP1) is centrally located and covers a combined area of 5ha comprised of parts of MB1A (1.0 ha), MB1C (1.0 ha), MB2A (1.5 ha), MB2C (1.5 ha). A second position of a stockpile and processing area (SP2) comprises 5 ha within MB1A and MB2C and replaces SP1).
Excavation Depths	Topsoil (TS) A horizon avg. 7.8cm; Subsoil (SS) B horizon avg. 9.6 cm; Overburden range 0 - 3.6 m; overburden avg. 1.5 m; Maximum depth of excavation is 18.2; depth of excavation avg, 15 m
Reclamation & Restoration	Aggressive progressive reclamation will be implemented concurrently with mining within each of the six mining blocks (MB).
Logging	Salvage, then clear, burn excess, and stockpile debris (debris burned, then stockpile chopped and compact to 2 m or less in height and covered with topsoil).
Logging Blocks	22.0 ha total: 22.0 ha within SML120005; 00.0 ha within SML120006 20.0 ha total: 9.6 ha within SML120005; 10.4 ha within SML120006
Stripping	Strip and stockpile soils: TS (7.8 cm), SS (9.6 cm), higher quality OB (1.5 m, where available); will be stockpiled separately. Strip and move poorer quality OB and place directly ready for progressive contouring as possible. Ready contoured areas, including de-compaction for direct placement of soils as possible to start early re-vegetation program.
Progressive Reclamation	Ongoing weed control; sloping, contour using elimination and poorer quality OB; de-compaction; placement of higher quality OB and light contouring; placement TS/SS with roll-back; 'Islands' of surface vegetation and tree transplant from next stripping area; monitor and application of cover crop and native seeds to enhance restoration; design to restrict public vehicle access including gating.
Monitoring Progressive Reclamation	Monitor and mitigate: weed control; erosion control; success of natural re-vegetation, to enhance transplantation; to use or extend cover crop; to extend use of native seed (use only certified seed).
Full Reclamation	Ongoing weed control; add 'Islands' of surface vegetation and tree transplant from next stripping area; add application of native seeds to enhance restoration as necessary (use only certified seed); design to discourage public vehicle access
Monitoring Full Reclamation	Monitor and mitigate: weed control; erosion control; success of natural re-vegetation, to enhance transplantation; to use or extend cover crop; to extend use of native seed (use only certified seed). Monitor and mitigate: return of wildlife; impact from adjacent activity.

Table 6 Phase summary of development, mining, and reclamation

		Logging	Stripping	Mining	Progressive Reclamation	Monitoring Progressive Reclamation	Full Reclamation	Monitoring Full Reclamation
PHASES (Est. Duration of phases 1 to 4 years)	1	MB1A, MB1B, MB1C, SP1	MB1A, MB1B, SP1	MB1A, MB1B	MB1A (perimeter areas), Part MB1B (follow mining)	2-6 weeks initial, Spring, Summer, Fall		
	2	MB2A, MB2B, MB2C	MB1C, MB2A	MB1C, MB2A	MB1A (perimeter areas), MB1B, MB1C (follow mining), Part MB2A (follow mining)	2-6 weeks initial, Spring, Summer, Fall		Spring, Summer, Fall
	3		MB2B, SP1	MB2B	MB1A (perimeter areas), MB2A, Part MB2B (follow mining)	2-6 weeks initial, Spring, Summer, Fall	MB1B, MB1C	Spring, Summer, Fall
	4		MB2C	MB2C	MB1A, MB2A, Part MB2B (follow mining)	2-6 weeks initial, Spring, Summer, Fall	MB1B, MB1C, MB2A	Spring, Summer, Fall
	5				MB2B, Part MB2C (follow mining)	2-6 weeks initial, Spring, Summer, Fall	MB1B, MB1C, MB2A, MB2B	Spring, Summer, Fall
	6				MB2C, Part MB1A (move and reduce processing and aggregate stockpile area)	2-6 weeks initial, Spring, Summer, Fall	Part MB1A MB1B, MB1C, MB2A, MB2B, MB2C	Spring, Summer, Fall
	7				Part MB1A (move and reduce processing and aggregate stockpile area)	2-6 weeks initial, Spring, Summer, Fall	All of site MB1 and MB2	Spring, Summer, Fall
	8						All of site MB1 and MB2	Spring, Summer, Fall (Minimum 2 years)

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8.4 Inactive Pit Planning

During prolonged periods of inactivity, pit faces will be sloped to 3:1 to maintain stability and reduce erosion. Soil stockpiles will be seeded to reduce erosion and loss of material. Weed monitoring and control will continue to be conducted on a monthly basis (unless ground is frozen).

9.0 OPERATIONS PLANNING

9.1 Adverse Effects

Extraction of aggregate will decrease the biodiversity of the area; however, the area will be reclaimed to grazing land as per AEP Field recommendation.

Vegetation and wildlife assessments conclude that there are no unique or important vegetation communities or wildlife habitat in the area. A planned wildlife biologist's assessment however is pending. The soil assessment, site visits, and analysis of LiDAR data, concludes that there is a gully on the east side of the SML; the ecosystems within the gully does not vary from the surrounding area, and therefore is not an area of concern. There are no other topographical features, such as eskers, or sink holes, of interest or concern in the area. During extraction phases there is a concern for dust and noise. Dust mitigation and control measures will be implement to reduce its effects on air quality (see section 9.2) and therefore is not expected to have long term or permanent effects on the air quality. The noise created on site will have an impact on local wildlife; however, gravel extraction operations often have shown that many forms of wildlife are not significantly affected.

9.2 Dust Control

A speed limit of 15 km/h will be implemented in the active pit area and all loads of aggregate material will be covered or tarped to reduce the dust generated from the loads as the trucks move from the site and along the haul route. Covered loads are required for travel on public roads to prevent gravel and dust from falling off the trucks. The crusher system will be placed at the bottom of the pit when there is sufficient room for the equipment and crushing system. Active areas and haul roads will be watered during dry periods; however, ongoing monitoring of the dust that settles on nearby vegetation will trigger watering of the processing area and haul route. Water will be obtained off-site from an approved source.

9.3 Weed Control

During the site investigation on July 14 and 15, 2015, two types of weeds were found: white cockle (*Silene pratensis*), classified as a noxious weed, and annual Hawk's-beard (*Crepis tectorum*). When visible they will be hand-picked and disposed in containment.

To reduce introducing weeds to the site, vehicles will be cleaned regularly, topsoil and other materials will not be imported, and seed mixtures will be certified as free of weeds. For minor weed outbreaks, they will be hand-picked and disposed in containment. For larger weed

outbreaks spraying after full emergence but prior to flowering will be implemented following consultation with AEP field office. Weed removal will be done periodically by site personnel, but specifically before placement of topsoil and seeding. The site will be monitored for evidence of weeds and a weed identification reference will be made available to on-site personnel.

9.4 Noise Monitoring

All pit operations will be conducted in accordance with the provincial and municipal noise regulations. The proposed site is well-isolated from human settlement.

9.5 Wind and Water Erosion

The integrity of the soil stockpiles will be maintained by placing them at least 3 m away from the toe of any other existing stockpiles and 5 m from the edge of any pit faces. To reduce the potential for soil loss by erosion, soil stockpiles will be contoured and stabilized by seeding lightly according to Alberta Environment guidelines.

9.6 Waste and Hazardous materials

All combustible refuse will be stored in metal dumpsters and disposed off-site. All non-combustibles, petroleum materials and containers will also be disposed off-site facilities. On-site, all hazardous materials (fuel, oil, etc.) will be handled safely to prevent contamination of soil and water. Above ground storage tanks will have secondary containment that meets Alberta Environment's guidelines [24]. A spill kit will be kept on-site as a contingency in the event of a spill. Domestic refuse will be kept in animal proof containers and human waste will be managed in a self-contained portable toilet.

A temporary, portable asphalt plant will be operated in accordance with the Code of Practice for Asphalt Paving Plants; it will be placed on a compacted pad, and berm will be used to divert run-off from the pad. Berm material will come from SML 120005 and SML 120006. The asphalt plant, supporting materials, and resulting waste and reject materials will be located where soil has been stripped, overburden has been compacted and a HDPE liner will be installed to reduce the potential of contaminants infiltrating the soil. They will also be located as far away from reclaimed areas as practicable. Any spills resulting from the plant will be cleaned up immediately; clean up materials will be available on-site, and spent clean up materials that are kept on-site will be maintained in covered containers until disposed off-site at an appropriate facility.

9.7 Fire Protection

The area is not within a FireSmart Community Zone but the lease operator will implement strategies to minimize the risk of fire [25]. All combustible refuse will be stored in metal dumpsters and disposed off-site. If any woody debris is to be burned on-site (on the advice of the Forest Officer) the material will be placed on bare mineral soil and burned only under favourable wind, humidity and moisture conditions. With the advice of a Forest Officer, any

woody debris left on-site for reclamation purposes will be covered with soil to reduce the fire hazard.

10.0 RECLAMATION PLANNING

10.1 Sloping

The reclaimed slopes will be contoured to 6:1 or gentler. The topography of the reclaimed site will be relatively flat with surface variance due to contouring of undisturbed deposits of excessive sand. The site will be reclaimed to grazing land, as indicated on DWG 3A, 3B, 3C, and 4.

10.2 Decompaction and Soil Placement

All facilities including asphalt plant will be removed, and all wastes and any contaminated soils will be hauled off-site to an appropriate facility. Berms will be leveled if clean, if not they will be haul away.

The processing areas and all internal haul roads will be decompacted. These areas will be ripped to break up the surface and increase permeability prior to placing the soil.

At least 1.5 m of overburden and elimination materials will be placed on the pit floor (with poorer materials at the bottom) and most slopes will be contoured to 6:1 or gentler (DWG 3A, 3B, 3C). Soil will be replaced to a depth of 18 cm (average). Available woody debris will be rolled back to increase surface roughness and provide suitable microsites for seed establishment.

10.3 Revegetation

As the site is reclaimed the livestock will impact the effectiveness of revegetation; therefore, temporary fencing will be used until re-vegetation is successful. The reclaimed site will be vegetated through natural regeneration from the soil seed bank, transplanting to 'islands' of shrubs, various young trees, and a predominance of young jack pine trees transplanted from the next planned development mining block; native grass seed mixes geared to sandy soils will be requested and will be approved by the District Rangeland Agrologist, prior to use. As previously mentioned, tops of conifers will be salvaged for seed distribution during reclamation. Natural succession is expected to produce a sequence of native grasses, suckering aspen and shrubs, and over the longer term, regeneration of conifers.

The site will be monitored for vegetation growth and areas that are slow to grow will be seeded with native species or approved seed mixtures according to Alberta Environment guidelines [20].

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10.4 Reclaimed Wetland and Surface Drainage

DWG 4 illustrates the surface drainage pattern of the reclaimed site. Due to the coarse nature of the overburden and reject materials that will be replaced during reclamation, most drainage is expected to be subsurface rather than overland flow. The 6:1 slopes along the majority of the excavation area perimeter will ensure that most overland flow is retained on-site and eventually seeps through to the subsurface and follows the natural drainage pattern.

11.0 RECLAMATION SECURITY

In total, 42.01 ha (103.80 acres) of land will be cleared for development. Both SMLs will be cleared in phase 1:

	SML 120005	SML120006	Total
Phase 1	31.61 ha (78.11 acres)	10.40 ha (25.69 acres)	42.01 ha (103.80 acres)

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APPENDICES

APPENDIX A

- Legal Survey Map
- Client Provided Test Data

APPENDIX B

- Soil Survey Report

APPENDIX C

- ACMIS Search Results
- Plant Species Observations
- Weed Survey Form and Observations
- Sensitive Plant Search
- Ecosite Classification

APPENDIX D

- Wildlife Survey by Bighorn Wildlife Technologies Ltd.
- FWMIS Report
- AER Landscape Analysis Tool Report

APPENDIX E

- FNC Adequacy Assessment
- Historical Resources Act Clearance
- GRL Consent

APPENDIX F

- DWG 1A: Existing Site/Planned Development with auger test holes
- DWG 1B: Existing Site/Planned Development with back-hoe test holes
- DWG 1C: Existing Site/Planned Development with airphoto
- DWG 2: Development Sequencing
- DWG 3A: Cross-section A-A' Profiles
- DWG 3B: Cross-section B-B' Profiles
- DWG 3C: Cross-section C-C' Profiles
- DWG 4: Planned Reclamation

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SML 120005 and SML 120006

APPENDIX A

- Legal Survey Map
- Client Provided Test Data

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix A.1

Legal Survey Map

PLAN

SHOWING SURVEY OF
(SML 120005)

(For Surface Material Lease)

WITHIN

W. 1/2 Sec. 14-Twp. 61-Rge. 18-W. 4 Mer

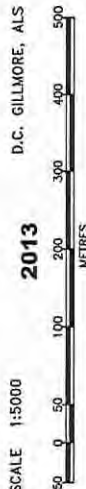
JORDAN BALL

SMOKY LAKE COUNTY

ALBERTA

SCALE 1:5000

2013



ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF.

AREA DEALT WITH BY THIS PLAN BOUNDED THUS AND CONTAINS 31.61 ha . . .

CALCULATED IS DENOTED THUS . . . (Calc)
 COUNTERSUNK IS DENOTED THUS . . . c.s.
 EAST IS DENOTED THUS . . . E.
 ESTABLISHED IS DENOTED THUS . . . Est.
 FOUND IRON POST IS DENOTED THUS . . . Fd.I.
 FOUND NO MARK IS DENOTED THUS . . . Fd. No Mk.
 HORN IS DENOTED THUS . . . H.
 IRON POST IS DENOTED THUS . . . I.P.
 MARKER POST IS DENOTED THUS . . . Mp.
 MARKER POST IS DENOTED THUS . . . M.P.
 MERIDIAN IS DENOTED THUS . . . Mer.
 NORTH IS DENOTED THUS . . . N.
 POINT IS DENOTED THUS . . . P.
 RANGE IS DENOTED THUS . . . Rge.
 RIGHT OF WAY IS DENOTED THUS . . . R/W.
 SECTION IS DENOTED THUS . . . Sec.
 SOUTH IS DENOTED THUS . . . S.
 STATUTORY IRON POST FOUND SHOWN THUS . . . S.I.P.
 SURVEY IRON POST FOUND SHOWN THUS . . . S.F.P.
 WEST IS DENOTED THUS . . . W.

PLAN DATUM

HORIZONTAL DATUM NAD83
 PROJECTION UTM
 DESCRIPTION N.E. 15-61-18-4, DEVOTED THUS . . . ○RP
 NORthing 6016133.922
 EASTING 395772.129
 COMBINED SCALE FACTOR 0.999634
 CENTRAL MERIDIAN 111° W.

I, Duncan C. Gilmore, Alberta Land Surveyor, solemnly declare that the survey represented by this plan was made under my personal supervision, the survey was made in accordance with good surveying practices and in accordance with the provisions of the Survey Act, R.S.A. 2003, and that the survey was made between the dates of 13th Day of October and 18th Day of October, 2013.
 I, the undersigned, being duly sworn and correct, and is prepared in accordance with the provisions of the Public Lands Act, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

Declared before me at City of Edmonton
 this 5th day of November, 2013.

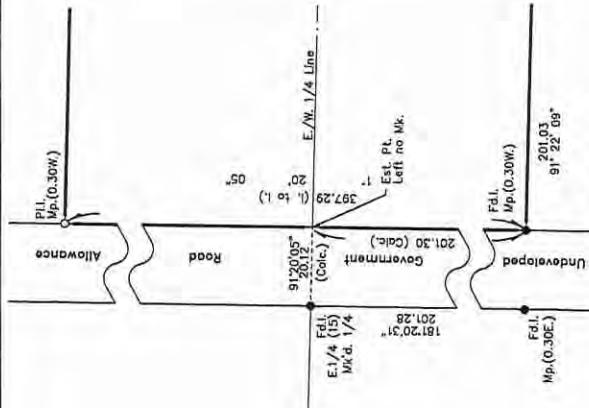


Pearl Gilmore
 A Commissioner For Oaths
 in and for the Province of Alberta
 Commission expires on August 17, 2017

GILLMORE SURVEYS (ARCTIC) LTD

WS 13-16060 G.S.L. 2038-18

FILE NO. SML 120005



DETAIL "A"

SCALE = 1:1000



DETAIL "B"

SCALE = 1:1000

SURFACE RIGHTS INFORMATION (PUBLIC LANDS)

W. 1/2 SEC. 14-61-18-4

OWNER: CROWN

ELMER CARDINAL

ALBERTA TRANSPORTATION

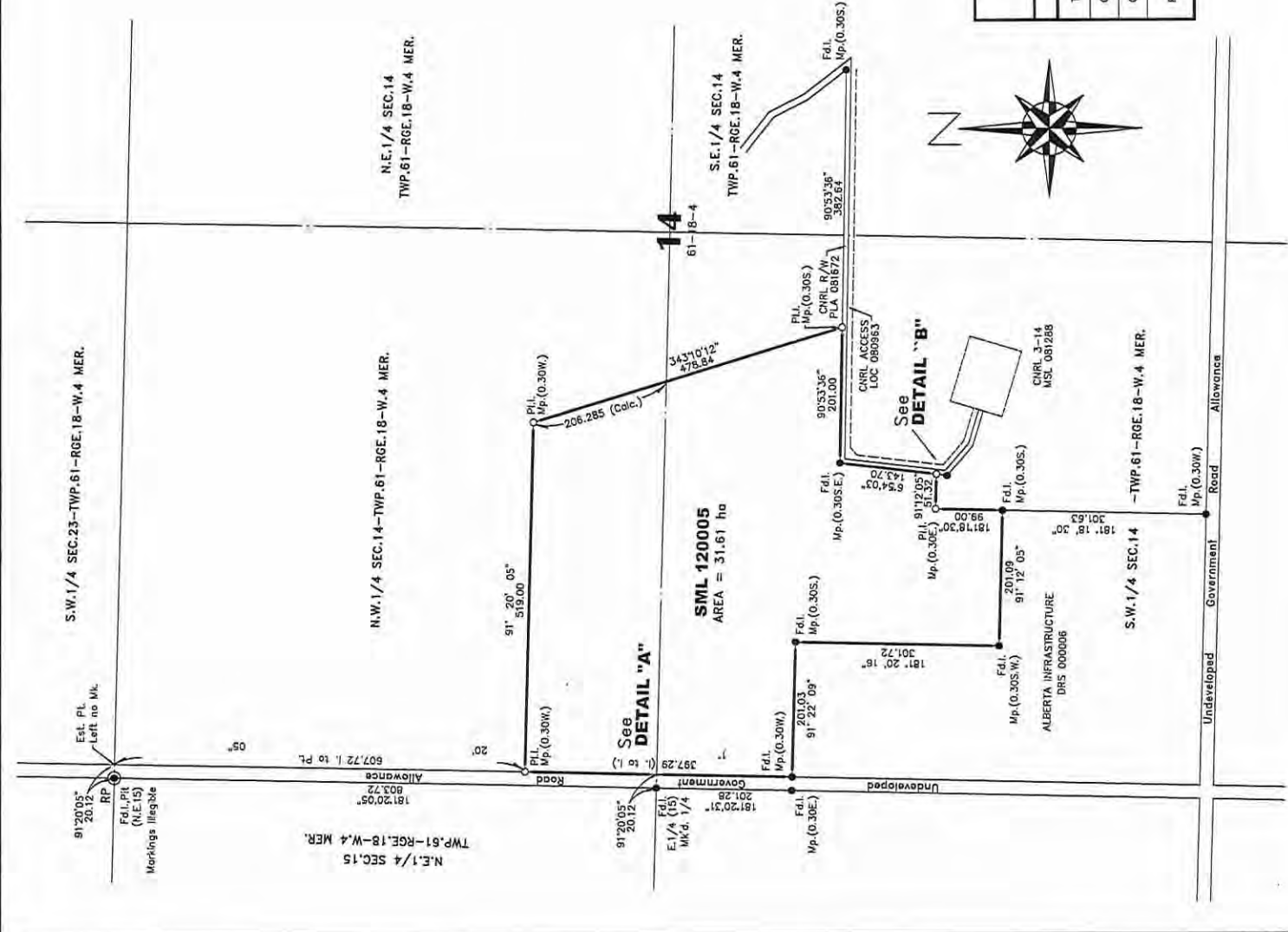
KEVIN WAWRYCHUK (GRAZING LEASE)

TPA 951
 CRP 010034
 GRL 40194
 PNT 820934

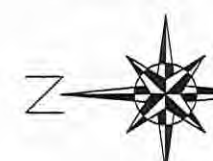
ATHABASCA OFFICE-RANGELAND DISTRICT-LANDS DIVISION
 DEPARTMENT OF SUSTAINABLE RESOURCE DEVELOPMENT
 (PROTECTIVE NOTATION)

AREA TABLE

SECTION	AREA (ha)
N.W. 1/4 Sec. 14-61-18-4	10.80
S.W. 1/4 Sec. 14-61-18-4	20.81
TOTAL	31.61



SML 120005
 AREA = 31.61 ha



PLAN
SHOWING SURVEY OF
(SML 120006)
(For Surface Material Lease)
WITHIN

N.W.1/4 Sec.14-Twp.61-Rge.18-W.4 Mer

CATHY BALL
SMOKY LAKE COUNTY
ALBERTA

SCALE 1:5000
METRES
0 50 100 200 300 400 500
2013 D.C. GILLMORE, ALS

ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF.

AREA DEALT WITH BY THIS PLAN BOUNDED THUS AND CONTAINS 10.40 ha . . .

CALCULATED IS DENOTED THUS (Cols)
COUNTERSUNK IS DENOTED THUS ca
EAST IS DENOTED THUS E
ESTABLISHED IS DENOTED THUS Est
FOUND IRON POST IS DENOTED THUS Fd.
FOUND NO MARK IS DENOTED THUS Fd. No Mk.
HECHARE IS DENOTED THUS Hc
MARKER IS DENOTED THUS Mk
MARKER POST IS DENOTED THUS Mk.P
MORGAN IS DENOTED THUS Mer.
NORTH IS DENOTED THUS N
POINT IS DENOTED THUS Pt
RANGE IS DENOTED THUS Rge
RIGHT OF WAY IS DENOTED THUS R/W
SECTION IS DENOTED THUS Sec
SOUTH IS DENOTED THUS S
STATUTORY IRON POST FOUND SHOWN THUS S.I.P.
STATUTORY IRON POST PLANTED SHOWN THUS S.I.P.P.
WEST IS DENOTED THUS W

PLAN DATUM

THE GEO-REFERENCED POINT IS A FOUND STATUTORY IRON POST, AND IS DERIVED FROM PUBLISHED A15 COORDINATES.

HORIZONTAL DATUM NAD83
PROJECTION UTM
DESCRIPTION N.E. 15-61-18-4, DENOTED THUS RP
NORTHING 6016133.922
EASTING 395772.129
COMBINED SCALE FACTOR 0.999634
CENTRAL MERIDIAN 111° W.

I, Duncan C. Gillmore, Alberta Land Surveyor, solemnly declare that the survey represented by this plan was made under my personal supervision, the survey was made in accordance with good surveying practices and in accordance with the 18th Day of October 1985, the survey was performed between the dates of 18th Day of October 2013 and 18th Day of October 2013, and that the plan is true and correct, and is prepared in accordance with the provisions of the Survey Act, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

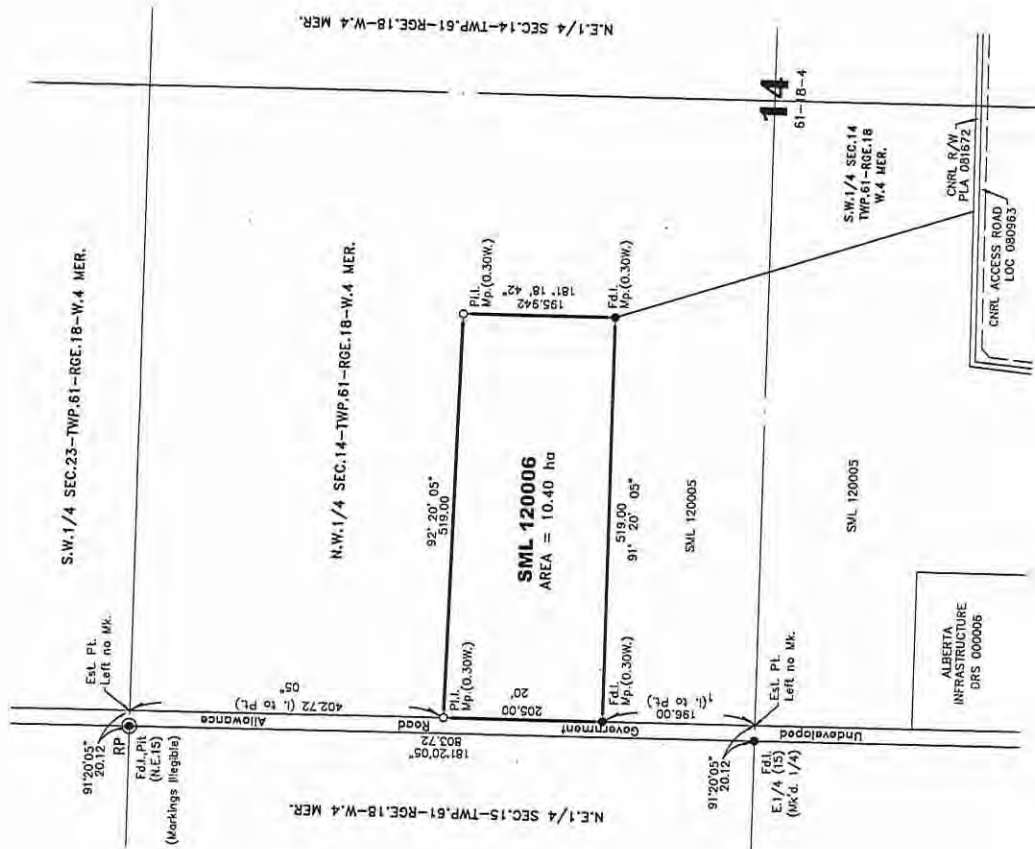
Declared before me at City of Edmonton
this 5th day of November, 2013.
Duncan C. Gillmore
ALBERTA LAND SURVEYOR



Pearl Gillmore
A Commissioner For Oaths
in and for the Province of Alberta
Commission expires on August 17, 2017

GILLMORE SURVEYS (ARCTIC) LTD
WS 13-16060 GSAL 2058-19

FILE NO. **SML 120006**



SURFACE RIGHTS INFORMATION (PUBLIC LANDS)	
N.W.1/4 SEC.14-61-18-4	
OWNER: CROWN	
TPA 951	ELMER CARDINAL
CRP 040034	ALBERTA TRANSFORMATION
CRL 40194	KEVIN WAWRYCHUK (GRAZING LEASE)
PNT 820934	ATHABASCA OFFICE-RANGELAND DISTRICT-LANDS DIVISION DEPARTMENT OF SUSTAINABLE RESOURCE DEVELOPMENT (PROTECTIVE NOTATION)



Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix A.2

Client Provided Test Data

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

March 15/12
SNL 06

(237) 0-2 sand
2-16 very Rocky
16-18 sand
18-22 Good G
22-41 sand
41-43 Good G
43-50 sand
50-55 clay

(238) 0-9 very Rocky
9-13 sand
13-26 very Rocky
26-47 1/2, 1, 2
Rocky
47-60 sand

(239) 0-2 very Rocky
2-6 sand
6-10 Good G
10-16 sand
16-35 very Rocky
35-40 Good G
40-45 Clay

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

240

0 - 6 small
10 - 10 small
12 - 12 small
17 - 17 small
19 - 19 small
22 - 22 small
24 - 24 small
28 - 28 small
35 - 35 small
40 - 40 small
43 - 43 small
45 - 45 small
TMA
0 - 1 small
1 - 6 small
6 - 8 small
8 - 50 small
50 - 55 small

241

0 - 1 small
1 - 6 small
6 - 8 small
8 - 50 small
50 - 55 small

242

0 - 2 small
2 - 4 small
4 - 10 small
6 - 10 small
8 - 3 small
10 - 55 small
15 - 60 small
20 - 3 small
31 - 5 small
5 - 10 small
10 - 13 small
13 - 37 small
27 - 38 small
30 - 49 small
49 - 55 small

243

0 - 3 small
31 - 5 small
5 - 10 small
10 - 13 small
13 - 37 small
27 - 38 small
30 - 49 small
49 - 55 small

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

244

0-5 sand
5-15 Good G

15-22 sand

22-24 Good

24-27 sand

27-34 Good G

34-45 sand

45-47 Good G

47-52 sand

52-56 Good G

56-70 sand

245

0-4 sand

4-10 Good G

10-23 very fine

23-25 sand

25-27 Good G

27-30 sand

30-33 sand

33-41 sand

41-47 sand

47-52 sand

52-60 sand

60-65 sand

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SHL 125805
 Date: Nov 5, 2012
 Page: 125805

POI 953	Top Soil	POI 953	Top Soil
POI 954	Top Soil	POI 954	Top Soil
POI 955	Top Soil	POI 955	Top Soil
POI 956	Top Soil	POI 956	Top Soil
POI 957	Top Soil	POI 957	Top Soil
POI 958	Top Soil	POI 958	Top Soil
POI 959	Top Soil	POI 959	Top Soil
POI 960	Top Soil	POI 960	Top Soil
POI 961	Top Soil	POI 961	Top Soil
POI 962	Top Soil	POI 962	Top Soil
POI 963	Top Soil	POI 963	Top Soil
POI 964	Top Soil	POI 964	Top Soil
POI 965	Top Soil	POI 965	Top Soil
POI 966	Top Soil	POI 966	Top Soil
POI 967	Top Soil	POI 967	Top Soil
POI 968	Top Soil	POI 968	Top Soil
POI 969	Top Soil	POI 969	Top Soil
POI 970	Top Soil	POI 970	Top Soil
POI 971	Top Soil	POI 971	Top Soil
POI 972	Top Soil	POI 972	Top Soil
POI 973	Top Soil	POI 973	Top Soil
POI 974	Top Soil	POI 974	Top Soil
POI 975	Top Soil	POI 975	Top Soil
POI 976	Top Soil	POI 976	Top Soil
POI 977	Top Soil	POI 977	Top Soil
POI 978	Top Soil	POI 978	Top Soil
POI 979	Top Soil	POI 979	Top Soil
POI 980	Top Soil	POI 980	Top Soil
POI 981	Top Soil	POI 981	Top Soil
POI 982	Top Soil	POI 982	Top Soil
POI 983	Top Soil	POI 983	Top Soil
POI 984	Top Soil	POI 984	Top Soil
POI 985	Top Soil	POI 985	Top Soil
POI 986	Top Soil	POI 986	Top Soil
POI 987	Top Soil	POI 987	Top Soil
POI 988	Top Soil	POI 988	Top Soil
POI 989	Top Soil	POI 989	Top Soil
POI 990	Top Soil	POI 990	Top Soil
POI 991	Top Soil	POI 991	Top Soil
POI 992	Top Soil	POI 992	Top Soil
POI 993	Top Soil	POI 993	Top Soil
POI 994	Top Soil	POI 994	Top Soil
POI 995	Top Soil	POI 995	Top Soil
POI 996	Top Soil	POI 996	Top Soil
POI 997	Top Soil	POI 997	Top Soil
POI 998	Top Soil	POI 998	Top Soil
POI 999	Top Soil	POI 999	Top Soil
POI 1000	Top Soil	POI 1000	Top Soil

SHL 125805

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TM" has replaced "POI".

No. ^{SM 12705}
Date March 5, 2012

Page

No. ^{SM 12705}
Date March 5, 2012

Page

2:17 pm Pot 260 Pictures
0-0.1 Top Soil 126
0.1-1.1 Good Gravel up to 10" 127
1.1-3.1 Sandy Gravel up to 3" 127
3.1-5.5 Sand

2:50 pm Pot 261 Pictures
0-0.1 Top Soil 128
0.1-1.1 Good Gravel up to 10" 129
1.1-2.6 Sandy Gravel up to 3" 129
2.6-5.5 Sand

3:30 pm Pot 262 Pictures
0-0.1 Top Soil 130
0.1-0.4 Small Gravel & Sand 131
0.4-0.6 Organic Material
0.6-2.1 Gravel up to 6" & 8"
2.1-5.5 Sand

4:00 pm Pot 263 Pictures
0-0.1 Top Soil 132
0.1-0.2 Sand 133
0.2-1.2 Small gravel & Sand
1.2-1.3 Black sand
1.3-1.8 Gravel up to 6"
1.8-5.5 Sand

4:30 pm Pot 264 Pictures
0-0.1 Top Soil 134
0.1-0.2 Sand 135
0.2-0.5 Small Gravel
0.5-2.0 Sand
2.0-2.3 Gravel up to 5-6"
2.3-5.5 Sand

On the test locations map, either the prefix "TH" has been added to three-digit numbers in the test logs or "TH" has replaced "POI"

No. SML 120005

No. SML 120006

Date March 6, 2012

Page

Date March 6, 2012

Page

Time	POI	Picture	Time	POI	Picture
7:55am	POI 265	Picture	8:00am	POI 268	Picture
0-0.1	Top Soil	136	0-0.1	Top Soil	142
0.1-0.2	Sandy gravel	137	0.1-0.7	Sandy Gravel up to 2"	143
0.2-0.5	Small gravel up to 3"		0.7-5.0	Sand	
0.5-5.5	Sand.			Here Sh. 1/2" in	

Time	POI	Picture	Time	POI	Picture
8:28am	POI 266	Picture	9:45am	POI 269	Picture
0-0.1	Top Soil	138	0-0.1	Top Soil	144
0.1-0.4	Very Sandy gravel	139	0.1-1.0	Sandy Gravel up to 2"	145
0.4-5.5	Sand		1.0-5.5	Sand.	

Time	POI	Picture	Time	POI	Picture
8:55am	POI 267	Picture	10:27am	POI 270	Picture
0-0.1	Top Soil	140	0-0.1	Top Soil	146
0.1-0.7	Sandy gravel up to 2"	141	0.1-0.4	Sandy Sand Rock up to 2"	147
0.7-5.5	Sand.		0.4-5.5	Sand.	

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SML 120005
Date March 6, 2012 Page

No. SML 120005
Date March 6, 2012 Page

10:57 am POI 271 Pictures
0-0.1 Top Soil 148
0.1-1.1 Sandy Small Gravel up to 1" 149
1.1-5.5 Sand

11:30 am POI 272 Pictures
0-0.1 Top Soil 150
0.1-1.0 Sandy Small Gravel 151
1.0-1.3 Bony Gravel up to 8"
1.3-5.4 Sand
Hole Stuffed in

SML 120005
12:30 pm POI 273 Pictures
0-0.1 Top Soil 152
0.1-0.7 Sand 153
0.7-0.9 Small gravel up to 1 1/2"
0.9-1.2 Sand
1.2-5.5 Sand

12:59 pm POI 274 Pictures
0-0.1 Top Soil 154
0.1-0.4 Small Gravel up to 3" 155
0.4-0.8 Sand
0.8-2.0 Bony Gravel up to 8"
2.0-3.4 Sand Some Rock up to 4"
3.4-5.5 Sand

1:29 pm POI 275 Pictures
0-0.1 Top Soil 156
0.1-0.4 Small Gravel Sandy 157
0.4-1.4 Sandy Gravel up to 5"
1.4-1.8 Bony Gravel up to 10"
1.8-2.4 Small gravel Sandy up to 3"
2.4-2.7 Bony Gravel up to 3"
2.7-5.5 Sand

On the test locations map, either the prefix "TR" has been added to three digit numbers in the test logs or "TR" has replaced "POT".

No. SM 12005
Date March 20, 1912

No. SM 12005
Date March 21, 1912

Time	POT	Remarks	Picture	Time	POT	Remarks	Picture
2:15 pm	POT 276			4:10 pm	POT 279		
0-0.1	Top Soil			0-0.1	Top Soil		
0.1-0.3	Good Ground	158		0-1.1	Small Ground up to 3"	165	
0.3-0.6	Small Ground	159		0.1-0.2	Good Ground up to 8"	160	
0.6-1.5	Good Ground			0-3.0	Sandy or Rock		
1.5-2.6	Sandy Soil up to 6"			0-5.5	Ground with little Sandy up to 5"		
2.5-5.5	Sandy with little Rock						
2:45 pm	POT 277		Pictures				
0-0.1	Top Soil	160					
0.1-1.1	Good Ground	161					
1.1-1.4	Sand						
1.4-5.5	Sandy Ground up to 2" Rock						
3:40 pm	POT 278		Pictures				
0-0.1	Top Soil	162					
0.1-1.1	Good Ground	163					
1.1-1.4	Sand						
1.4-1.9	Small Ground up to 3"						
1.9-5.0	Sand with little Rock						
5.0-5.5	Sand with little Rock						

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. 542 12, 000 S
 Date March 7, 1952 Page

9:55 am	Top soil	Richards	167
0-0-1	Top soil		168
0-1-0-4	Small gravel up to 6"		
0-4-1-0	Gravel up to 6"		
10-5-5	Gravel up to 6" sandy up to 4"		
8:20 am	Top soil	Richards	169
0-0-1	Top soil		170
0-1-0-1	Coarse gravel up to 6"		
0-7-1-3	Small gravel up to 2"		
1-3-5-5	Gravel up to 6" a little sandy		
8:45 am	Top soil	Richards	171
0-0-1	Top soil		172
0-1-0-1	Small gravel up to 8"		
1-1-5-5	Gravel up to 8" a little sandy		

No. 542 12, 000 S
 Date March 7, 1952 Page

9:55 am	Top soil	Richards	173
0-0-1	Top soil		174
0-1-0-4	Small gravel up to 6"		
0-4-1-0	Gravel up to 6"		
10-5-5	Gravel up to 6" sandy up to 4"		
8:20 am	Top soil	Richards	175
0-0-1	Top soil		176
0-1-0-1	Coarse gravel up to 6"		
0-7-1-3	Small gravel up to 2"		
1-3-5-5	Gravel up to 6" a little sandy		
8:45 am	Top soil	Richards	177
0-0-1	Top soil		178
0-1-0-1	Small gravel up to 8"		
1-1-5-5	Gravel up to 8" a little sandy		

On the rest locations map, either the prefix "TH" has been added to three digit numbers in the rest logs or "TH" has replaced "POI"

No. SHL 120025
Date March 9, 2012

No. SHL 120025
Date March 9, 2012

11:30 am	POI 286	Pictures
0-0.1	Top Soil	179
0.1-2.6	Sand	180
2.6-5.5	Expanded up to 8" Sand	
12:20 pm	POI 287	Pictures
0-0.2	Top Soil	181
0.1-0.2	Soil	182
1.2-5.5	Expanded up to 8"	
	with Sand	
12:00	POI 285	Pictures
0-0.1	Top Soil	183
0.1-0.4	Sand	184
0.4-4.5	Ground Sand up to 6"	
4.5-4.8	Sand	
4.8-5.5	Ground Sand up to 6"	

1:00 pm	POI 289	Pictures
0-0.1	Top Soil	185
0-0.4	Sand	186
0.4-1.0	Coarse Sand	
1.0-4.0	Expanded Type Sand Rock up to 6"	
4.0-4.5	Heavy Ground up to 8"	
4.5-5.5	Expanded Type	
1:00 pm	POI 290	Pictures
0-0.1	Top Soil	187
0.1-0.7	Coarse Sand up to 6"	188
0.7-1.7	Medium Sand	
1.7-3.0	Sand	
3.0-3.5	Sandy Soil	
3.5-4.5	Sandy	
4.5-5.0	Expanded Type	
5.0-5.5	Expanded Type	

On the test locations map, either the prefix "TY" has been

Added to three digit numbers in the test logs or "TH" has replaced "POI"

No. 1442

Page 1

Date March 9, 1912

Page 1

1	215 pm	POI 291	Richards
	0-0.1	Top soil	1912
	0.1-1.1	Small gravel up to 1/4"	1912
	1.1-2.1	Sandy gravel	
	2.1-3.1	Gravel up to 3/8"	
	3.1-3.5	Gravel	
	3.5-5.5	Sand	
2			
	1.3-1.4 pm	POI 292	Richards
	0-0.1	Top soil	1912
	0.1-0.4	Sand	1912
	0.4-1.4	Gravel up to 3/8"	
	1.4-5.5	Sand	
3			
	4.30 pm	POI 293	Richards
	0-0.1	Top soil	1912
	0-0.3	Sandy gravel	1912
	0.3-1.7	Sand	1912
	1.7-2.4	Sandy gravel	
	2.4-5.5	Sand	

	0 am	POI 294	Richards
	0-0.1	Top soil	1912
	0.1	Sand	1912
	1.0	Small gravel up to 3/8"	
	1.6	Sand	
	1.9	Gravel up to 3/8"	
	5.5	Sand	
4			
	0 am	POI 295	Richards
	0.1	Top soil	1912
	0.3	Sand	1912
	0.3-5.5	Small gravel / Sandy sand	
	5.5	Sand	
5			
	0 am	POI 296	Richards
	0-0.1	Top soil	1912
	0.4	Sand	1912
	1.0	Sandy Small gravel up to 3/8"	
	5.5	Sand	

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SHL 120004

Date March 8, 2012

Page

No. SHL 120004

Date March 8, 2012

Page

1 9:05 am POI 297 Pictures
 0-0.1 Top Soil 202
 0.1-5.5 Sand 203

9:10 am POI 301 Pictures
 0-0.1 Top Soil 210
 0.1-3.5 Sand 211

9:35 am POI 298 Pictures
 0-0.1 Top Soil 204
 0.1-5.5 Sand 205

9:38 am POI 302 Pictures
 0-0.1 Top Soil 212
 0.1-5.5 Sand 213

10:20 am POI 299 Pictures
 0-0.1 Top Soil 206
 0.1-5.5 Sand 207

10:00 am POI 303 Pictures
 0-0.1 Top Soil 214
 0.1-0.7 Small Gravel/Sandy 215
 0.7-1.0 Gravel up to 6"
 1.0-5.0 Sand

10:45 am POI 300 Pictures
 0-0.1 Top Soil 208
 0.1-5.5 Sand 209

10:50 Hole Stuffed in
 10:14 am POI 304 Pictures
 0-0.1 Top Soil 216
 0.1-0.4 Sand 217
 0.4-0.7 Small Gravel up to 4"
 0.7-5.0 Sand
 Hole Stuffed in

On the test locations map, either the prefix "TW" has been added to three-digit numbers in the test logs or "TW" has replaced "PG" in

No. 5ML 12006C
Date March 8, 2012

No. 5ML 12006G
Date March 8, 2012

Page

Page

2:45 pm
0-0.1 Top Soil
0.1-1.5 Sand
1.5-5.5 Clay.
POI 305
Pictures
218
219

3:00 pm
0-0.1 Top Soil
0.1-1.5 Sand
1.5-5.5 Clay.
POI 308
Pictures
224
225

3:22 pm
0-0.1 Top Soil
0.1-1.1 Small Gravel up to 1"
1.1-5.1 Very Sandy Fine Rock up to 6"
5.1-5.5 Clay.
POI 306
Pictures
220
221

3:40 pm
0-0.1 Top Soil
0.1-0.6 Gravel up to 6"
0.6-0.9 Sand
0.9-1.3 Sand/Gravel up to 3"
1.3-2.2 Sand
2.2-2.8 Gravel up to 8" sand
2.8-5.2 Small Gravel/Sandy up to 4"
POI 307
Pictures
222
223

3:40 pm
0-0.1 Top Soil
0.1-1.1 Sand
1.1-5.1 Sand/Sandy
5.1-5.5 Sand/Sandy
POI 309
Pictures
226
227

On the test locations repaired with the prefix "TR" has been added to three digit numbers in the test logs of "TH" has replaced "POI"

No. SHL 120004
Date March 9, 2012

No. SHL 120004
Date March 9, 2012

7:10 am	POI 310	Pictures
0-0.1	Top Soil	228
0.1-0.4	Sand	129
0.4-5.5	Clay	
8:00 am	POI 311	Pictures
0-0.1	Top Soil	230
0.1-0.3	Rock & Sand	231
0.3-5.5	Clay	
8:00 am	POI 312	Pictures
0-0.1	Top Soil	232
0.1-0.7	Sandy Silt & Gravel 2"	233
0.7-1.0	Clay	
1.0-1.6	Sand & Silt Gravel 3"	
1.6-5.5	Sand	
5.0	Rock up to 6"	
	pole Stuffed in	

8:50 am	POI 313	Pictures
0-0.1	Top Soil	234
0.1-0.2	Sand	235
0.2-1.0	Sandy Silt & Gravel up to 3"	
1.0-1.5	Sandy Gravel up to 4"	
1.5-2.4	Sand	
2.4-3.0	Rock up to 12"	
3.0-5.5	Clay	
8:00 am	POI 314	Pictures
0-0.1	Top Soil	236
0.1-0.3	Sand	237
0.3-0.9	Sandy Silt & Gravel up to 2"	
0.9-1.4	Gravel up to 4"	
1.4-2.4	Sand	
2.4-2.9	Large Rock & Sand up to 12"	
2.9-5.5	Clay	

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SHL 12000.6

Date March 9, 2012

Page

No. SHL 12000.6

Date March 9, 2012

Page

9:20am POI 315
 0-0.1 Top Soil
 0.1-0.9 Sand
 0.9-1.3 Small Sandy Gravel
 1.3-1.5 Sand
 1.5-2.0 Gravel up to 6"
 2.0-5.5 Clay

Pictures

238

239

10:45am

POI 317

Pictures

242

243

0-0.1

Top Soil

0.1-1.2

Sandy Small Gravel 2"

1.2-1.8

Clay

1.8-5.5

Sand

11:00am

POI 318

Pictures

0-0.1

Top Soil

244

0.1-0.4

Small Gravel up to 3"

245

0.4-1.0

Sand

1.0-5.0

Small Gravel Sandy

5.0-5.5

Clay

10:23am POI 316

Pictures

240

241

0-0.1 Top Soil

0.1-0.3 Sand

0.3-0.9 Sandy Small Gravel

0.9-1.3 Sand

1.3-1.9 Small Sandy Gravel

1.9-5.0 Sand

Hole Stuffed in

1:28pm

POI 319

Pictures

0-0.1

Top Soil

246

0.1-0.7

Sandy Small Gravel 3"

247

0.7-1.3

Sand

1.3-1.6

Sandy Small Gravel 2"

1.6-5.0

Sand

Hole Stuffed in

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SML 120006

Date March 9, 2012

Page

No.

Date

Page

11:48 am POI 320 Pictures

0-0.1 Top Soil 248

0.1-0.4 Sand 249

0.4-1.4 Small pebbles Gravel Sandy

1.4-5.5 Sand

12:43 pm POI 321 Pictures

0-0.1 Top Soil 250

0.1-5.5 Sand 251

1:15 pm POI 322 Pictures

0-0.1 Top Soil 252

0.1-1.1 Sand with small Rock 1" 253

0.1-1.7 Sandy Gravel up to 3"

1.7-4.0 Sand

4.0-5.5 Clay

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

March 7/2012 - Pit 5
420 - 8:00 am.
0-2 ft. soils
2-6 ft. 2" rock
6-20 ft. 2-4" rock, lots of sand
421 - 8:30 am
0-2 ft. soils
2-14 ft. 2-6" rock, fair sand
14-18 ft. sand
18-20 ft. 2-4" rock, fair sand
sand at bottom

422 9:00 am.
0-2 ft. soils
2-4 ft. 2" rock
4-21 ft. - mostly sand,

423 9:30 am.
0-2 ft. soils
2-4 ft. sand
4-6 ft. sm. rock
6-21 ft. sand,

424 9:50 am.
0-3 ft. black soils
3-14 ft. frozen sand,
14-19 ft. wet sand,

425 10:40 am.
0-3 ft. soils (black)
3-19 ft. sand,

426 11:00 am
0-2 ft. soils
2-4 ft. 2-4" rock
4-21 ft. sand

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

- 418 - 4:10 pm
0-2 ft. soils
2-6 ft. 2-4" rock
6-14 ft. random 4-6" rock
14-20 ft. mostly sand
- 419 - 4:35 pm.
0-2 ft. soils
2-8 ft. 2-3" rock w/ sand
8-12 ft. 2-4" rock
12-20 ft. mostly sand, ^{random} rocks
- March 7/2012 - Pit 5
- 420 - ~~8:00~~ am.
0-2 ft. soils
2-6 ft. 2" rock
6-20 ft. 2-4" rock, lots of sand
- 421 - 8:30 am
0-2 ft. soils
2-14 ft. 2-6" rock, fair sand
14-18 ft. sand
18-20 ft. 2-4" rock, fair sand
sand at bottom

- 422 9:00 am.
0-2 ft. soils
2-4 ft. 2" rock
4-21 ft. - mostly sand.
- 423 9:30 am.
0-2 ft. soils
2-4 ft. sand
4-6 ft. sm. rock
6-21 ft. sand.
- 424 9:50 am.
0-3 ft. black soils
3-14 ft. frozen sand
14-19 ft. wet sand.
- 425 10:40 am.
0-3 ft. soils (black)
3-19 ft. sand.
- 426 11:00 am
0-2 ft. soils
2-4 ft. 2-4" rock
4-21 ft. sand

3 up horiz 2nd vertical

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

SML 12006

427 11:25 am
 0-2 ft. soils
 2-20 ft. - 2-4" rock, ^{lots of} sand

428 12:30 pm
 0-2 ft. soils
 2-12 ft. 2" rock w/sand
 12-16 ft. Sandier
 16-18 ft. 2-8" rock w/sand
 18-21 ft. Sandier, some rock

429 1:00 pm
 left open. 0-2 ft. soils
 2-12 ft. 2-4" rod
 12-19 ft. sand w/random rock
 19-20 ft. hitting clay

430 1:20 pm
 left open 0-2 ft. soils
 2-20 ft. 2-6" rocks, ^{pretty} random

431 1:40 pm
 0-2 ft. soils
 2-12 ft. 2" rock, random
 12-19 ft. mostly sand

432 2:05 pm
 0-2 ft. soils
 2-10 ft. 2" rock, random
 10-14 ft. 4-6" rock
 14-21 ft. 4-6" rock, random

433 2:35 pm
 0-2 ft. soils
 2-8 ft. 2" rock, random
 8-18 ft. - 3-4" rock, ^{very} random
 3:00-4:00
 refill holes
 P. + 5

434 4:00 pm
 0-2 ft. soils
 2-3 ft. 2" rock
 3-9 ft. ^{mostly sand} random rock
 9-19 ft. sand.

435 4:15 pm
 0-2 ft. soils
 2-6 ft. 2" rock w/sand
 6-10 ft. sand.
 10-14 ft. 2-4" rock w/sand
 14-18 ft. ^{mostly sand} random rock
 18-19 ft. sand
 caved in

689-7885 - Lisa M. Anthony Henday - exit 90 st.

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

Mar. 8/12 - Smz 120006

436 7:40 am.
0-2 ft. black soils
2-14 ft. sand.
14-17 ft. clay

437 8:00 am.
0-2 ft. soils
2-5 ft. 2-3" rock
5-20 ft. sand.

438 8:30 am.
0-2 ft. soils
2-3 ft. sand
4-16 ft. clay.

439 8:50 am.
0-2 ft. soils
2-10 ft. 2" rock, lots of sand
10-20 ft. sand.

440 9:05 am - ravine bottom
0-2 ft. soils
2-12 ft. 2" rock, very random
12-16 ft. 2" rock, black sand
couldn't go any further
caving in

441 9:35 am.
0-2 ft. soils
2-3 ft. sand.
3-5 ft. 2" rock w. d.
5-20 ft. sand

442 10:20 am
0-2 ft. soils
2-10 ft. ^{very random} 2" rocks
10-14 ft. 2-4" rock, sand
14-21 ft. sand

443 10:50 am
0-2 ft. soils
2-8 ft. 2-4" rock, ^{really} random
8-21 ft. sand.

444 11:15 am.
0-2 ft. soils
2-8 ft. 2"-6" rock ^{very} random
8-20 ft. sand.

79,70 1b

On the ^{Pit} test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

March 8

- 445 6" Top soil 2' "B" soil
2' to 6' sand with small pebbles
6' to 18' clay no rock
6 pictures
- 446 6" Top soil 2' B soil
2' to 5' sand with some rock 1" to 3"
5' to 21' clay no rock
5 pictures
- 447 6" Top soil 2' "B" soil
2' to 5' sand no rock
5' to 10' yellow sand no rock
10' to 15' ~~dry~~ wet clay
15' to 20' blueish clay/sand no rock
6 pictures
- 448 6" Top soil 2' B soil
2' to 8' sand ^{very little 1"} ~~rock~~ Rock
8' to 10' 2 Big Rocks ^{no small}
10' to 19' clay no rock
19' to 21' wet clay/sand no rock
4 pictures
- 449 6" Top soil 2' "B" soil
2' to 8' sand no rock
8' to 9' sand with some 1" Rock
9' to 19' clay no rock
19' to 20' wet clay/sand no rock
3 pictures

- 450 6" Top soil 2' "B" soil
2' to 4' sand no rock
4' to 5' sand with some 1" to 3" ~~rock~~
5' to 18' sand no rock
18' to 22' sand with water with
Rock 3" to 6"
4 pictures
- 452 6" Top soil 2' "B" soil
2' to 4' small to 3" rock with sand
4' to 5' sand no rock
5' to 8' rock 1" to 6"
8' to 16' sand no rock
16' to 21' wet sand no rock
5 pictures
- 452 6" Top soil 2' B soil
2' to 5' sand with some small to
5' to 19' white sand very few pebbles
4 pictures
- 453 6" Top soil 2' "B" soil
2' to 4' sand with some Rock
4' to 5' rock 1" to 4"
5' to 15' sand no rock
15' to 19' sand with lots of small
4 pictures

On the ~~test locations~~ ^{map}, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

Mar. 9/12 - SML 120006

- 454 7:30 am.
0-2 ft. soils
2-3 ft. random 2" rock
3-20 ft. sand - no rock
- 455 0-2 ft. soils
2-4 ft. 1-3" rock
4-20 ft. sand - no rock
- 456 8:20 am.
0-2 ft. soils
2-4 ft. sm. rock, lots of sand
4-20 ft. sand - no rock
- 457 8:55 am.
0-2 ft. soils
2-20 ft. sand - no rock
- 458 9:20 am
0-2 ft. soils
2-20 ft. sand - no rock
- 459 9:40 am
0-2 ft. soils
2-10 ft. odd rock, mostly sand
10-20 ft. sand.

- 460 10:25 am
0-2 ft. soils
2-12 ft. 2-3" rock, ^{really} random
12-21 ft. sand - no rock
- 461 0-2 ft. soils
2-12 ft. sm. rock ^{really} random
12-14 ft. 3-4" rock
14-21 ft. sand.
- 462 11:15 am
0-2 ft. soils
2-17 ft. sm 2" rock, ^{pretty} random
* 17-18 ft. 6-8" rock
18-19 ft. sandier again
- 463 11:40 am
0-2 ft. soils
2-21 ft. sand - no rock
- 464 12:50 pm
0-2 ft. soils
2-20 ft. sand - no rock
- 465 1:05 pm.
* 0-2 ft. soils
2-10 ft. sand
10-12 ft. 4-6" rock ^{12-18 ft. 18ft. ch. 4"} cave

J. Ball and C. Ball (SML 120005 & SML 120006) - CRBR - POI and SIR Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sept. 20, 2016)

SME 100280

Nov 22/11

Auger Drilled Test Data

(9) 6" Top soil Fair Gravel
 6" to 4 feet Fair Gravel
 4 to 16 Bony Gravel
 26 to 32 Fair Gravel
 32 to 50 sand
 50 Clay
 6" Top soil WTM 6014916
 6" to 2 sand
 2 to 26 very Bony Gravel
 26 to 35 1" small rock
 35 to 39 sand
 39 to 45 Fair Gravel
 45 to 50 clay 6015321
 6" Top soil
 6" to 10 Fair Gravel
 10 to 20 Good Gravel
 20 to 25 sand
 25 to 45 Good Gravel
 45 to 50 Poor Gravel
 50 to 55 sand

(12) 0-6" Top soil 6015503
 6" to 3 Sand
 3 to 9 Poor Gravel
 9 - 14 Good Gravel
 14 - 18 sand
 18 - 25 Fair Gravel
 25 - 30 sand
 30 to 45 Good Gravel
 45 to 50 Sand
 6" to 6" Top soil 6015738
 6" to 35 sand
 (14) 6" to 12 sand 6015068
 12 to 14 Fair Gravel
 14 to 32 sand
 32 to 40 Fair Gravel
 40 to 60 Good Gravel
 60 + P

SME 100280

- (16) 0-6" Topsoil 6015417
6" to 10" Fair Gravel
10 to 30 Very Good Gravel
30 to 32 Sand
32 to 45 Very Good Gravel
45 to 55 Poor Gravel Sample
- (17) 6" Topsoil 6015168
6" to 35 Very Good Gravel
35-42 Poor Gravel
42 to 55 Sand
Nov 24/11
- (18) 0-6" Topsoil 6015021
6" to 2 Sand
2-15 Good Gravel
15-25 Very Good Gravel
25-35 Good Gravel
35-60 Sand
water at 45 feet

SME 100280

- (19) 6" Topsoil 6014991
6" to 20 Clay
- (20) 6" Topsoil 6014975
6" to 15 Sand
15-25 Clay
- (21) 6" Topsoil 6014962
6" to 6 Sand
6-20 Clay
- (22) 6" Topsoil 6015052
6" to 30 Sand
30 to 35 Clay
- (23) 6" Topsoil 6015025
6" to 30 Sand
- (24) 6" Topsoil 6015151
6" to 30 Sand
30 to 35 Clay
- (25) 6" Topsoil 6015286
6" Clay
- (26) 6" Topsoil 6015484
6" to 30 Sand
30 to 45 Very Poor Retic
45 Gravel Below

SME 100280

(27) 6" top soil 6015691
6" to 10 Fair Gravel
10-15 very Rocky
15-30 Clay

(28) 6" top soil 6015576
6" to 5 very Rocky
5-10 Fair Gravel
10-15 very Rocky
15-18 Fair Gravel
18-25 Clay

(29) 6" top soil 6015361
6" to 5 very Rocky
5 to 7 Fair Gravel
7-12 very Rocky
12-17 Sand Gravel
17-21 Good Gravel
21-25 Clay
(30) 6" top soil 6015319
6"-20 Clay

SME 100280

(31) 6" to 6" top soil 6015475
6" to 20 Clay

(32) 6" top soil 6015626
6" to 20 Clay
Nov 25/11

(33) 6" top soil 6015189
2" Sand
2-10 Fair Gravel
10-15 very Bumpy Rock
15-25 very Bumpy Rock
25-35 Fair Gravel
35-40 Fair Gravel
40-60 Sand

(34) 6" top soil 6015131
6" to 25 sand

(35) 6" to 30 Clay
6" to 6" top soil 6015273
6" to 20 Clay

SME 100280

- (36) 6" Top soil 6015268
- 6" to 4" Sand
- 4" to 10" Fair Gravel
- 10-20 very Bony Rock.
- 20-28 Bony Rock
- 28-35 Fair Gravel
- 35-40 Fair Gravel
- 40-45 Sand
- 45-50 Sand
- (37) 6" Top soil 6015442
- 6" to 20 Clay
- (38) 6" Top soil 6015517
- 6" to 2" Fair Gravel
- 2 to 9 Sand.
- 9 to 15 Fair Gravel
- 15-18 Sand
- 18-30 very Good Gravel
- 30-35 Sand
- 35-40 Clay

SME 100280

- (39) 6" Top soil 6015632
- 6" to 5" Fair Gravel
- 5-10 Poor Gravel
- 10-14 Sand
- 14-16 Good Gravel
- 16-25 Clay
- (40) 6" Top soil 6015710
- 6" to 10 Fair Gravel
- 10 to 16 Sand
- 16 to 25 Clay
- (41) 6" Top soil 6015657
- 6" to 15 Sand
- 15-20 Clay
- (42) 6" Top soil 6015560
- 6" to 16 Sand
- 16-25 Clay
- (43) 6" Top soil 6015567
- 15 Feet Clay
- (44) 6" Top soil 6015500
- 6" to 20 Sand
- 20-25 Clay

SME 100280

SME 100280
Nov 26/11

- (45) 0-6" Top soil 6015398
- 6"-20" Sand.
- 20-25" Clay
- (46) 6" Top soil 6015204
- 6" + 10" Fine Gravel
- 10-25" Sand
- 25-30" Clay
- (47) 6" Top soil 6015155
- 6" to 20" Clay
- (48) 6" Top soil 6015263
- 6" to 20" Clay
- (49) 6" Top soil 6015431
- 10 Feet sand
- 10 to 15" Clay

- (50) 6" Top soil 6014949
- 6"-18" Very Good Gravel
- 18-35" sand
- 35-42" Good Gravel
- 42-50" Poor Gravel
- (51) 6" Top soil 6015153
- 6"-20" Very Boney Rock
- 20-35" sand
- 35-42" small 1/2 Rock
- 42-45" sand water
- 45 to 55" Clay
- (52) 6" Top soil 6015330
- 6"-36" very Boney Rock
- 36-40" sand
- 40-45" Clay
- (53) 0-6" Top soil 6015674
- 6"-10" Fine Gravel
- 10-35" sand
- (54) 0-6" Top soil 6015074
- 6"-15" sand
- 15-20" Clay

SME 100280

- (55) 0-6" Top soil 6015388
6"-12" Fair Gravel
12-15" sand.
15-20" Clay
- (56) 0" Top soil 6015523
6"-4" Fair Gravel
4"-20" Sand
- (57) 20"-25" Clay
6" Top soil 6015686
6"-10" Boney Rocky
Gravel.
- (58) 10"-20" Clay
8" Top soil 6015641
6"-5" Boney Gravel
5"-20" Clay
- (59) 0-6" Top soil 6015278
6"-15" Clay
- (60) 6" Top soil 6015197
6"-20" Clay

SME 100280

Test hole Number : **TL 10** - Date : Nov. 23, 2011



SME 100280

Test hole Number : TL 20 - Date: Nov. 24, 2011





Test hole Number : **TL 28** - Date: Nov. 24, 2011

SME 100280



SME 100280

Test hole Number : **TL 41** - Date : Nov. 25, 2011



SME 100280

Test hole Number : **TL 56** - Date : Nov. 26, 2011



Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

APPENDIX B
• Soil Survey Report

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

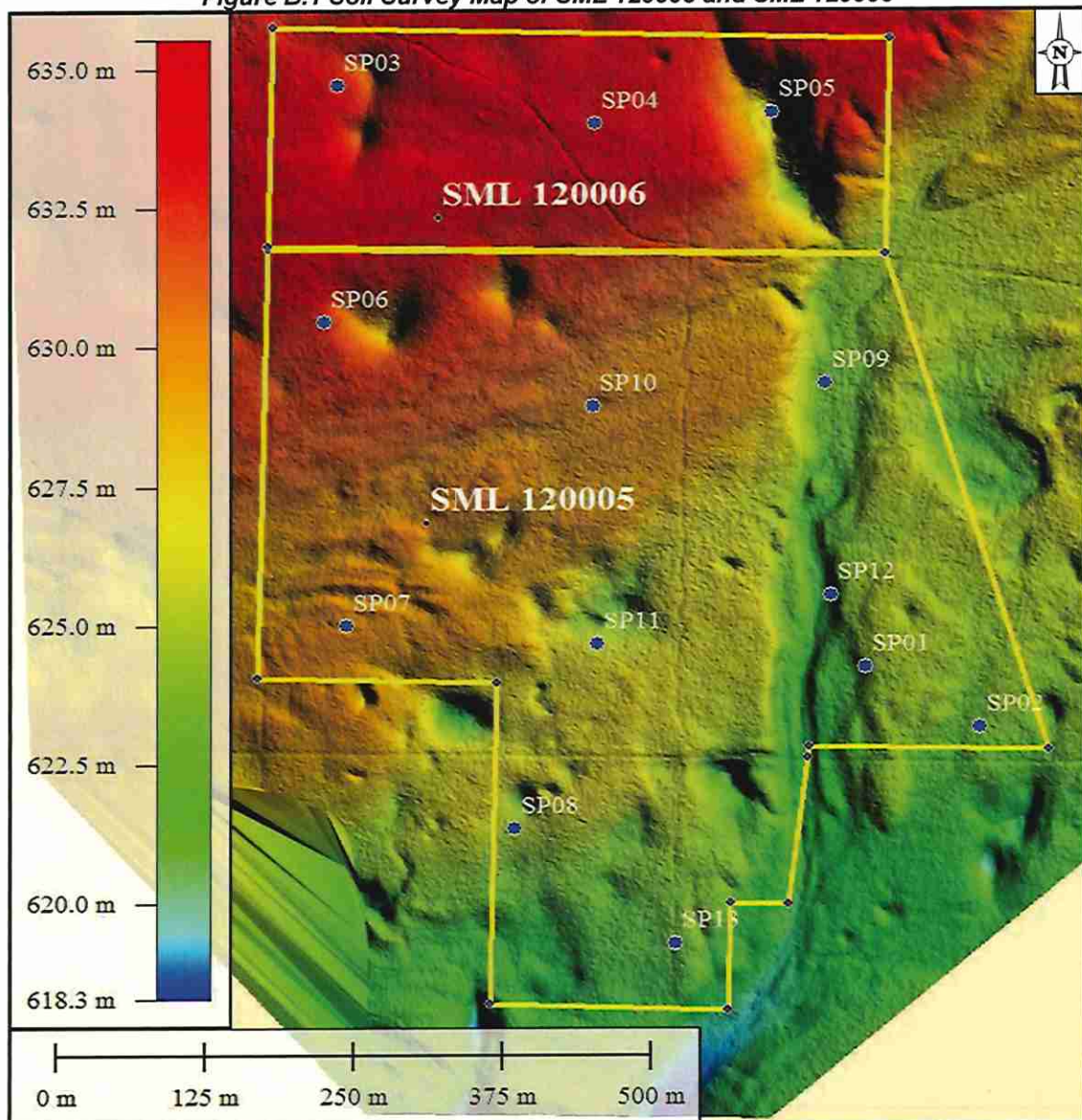
Appendix B.1

Soil Survey Report

B.1 SOIL SURVEY REPORT OF SML 120005 AND SML 120006

SML 120005 and SML 120006 soil survey was completed on July 14 and 15, 2015. Information was gathered from 13 soil pit locations within the two SMLs. Figure B.1 displays the Soil Survey Map of the 2 SML's showing the soil pit locations over bare earth LIDAR. The soil pit locations were selected using an ecosystem approach by interpreting variations in landscape and vegetation patterns on available orthophotos and LIDAR data. Table B.1 summarizes findings and photos for each soil pit are also included.

Figure B.1 Soil Survey Map of SML 120005 and SML 120006



Source: LiDAR Data sourced from AltaLis [4]; contours added in Global Mapper

Conservation and Reclamation Business Plan
 Applicant: Jordan Ball and Cathy Ball
 Parts of NW & SW 14-061-18-W4M
 SML 120005 & SML 120006

Table B.1 Summary of Soil Survey Findings

Soil Pit Number	GPS Coordinates (Zone 12, NAD 83)		LFH (cm)	Soil Texture	Slope Position and General Comments	Soil Pit Location and Vegetation
	Northing	Easting				
SP01	6015137	396280	3	Topsoil (A) = 10 cm; sandy loam Subsoil (B) = 10 cm; sand	undulating topography; a 7 cm sand layer containing small gravel below subsoil; golden coloured sand at the bottom; soil pit depth 50 cm, moose droppings close to soil pit location	jack pine, aspen, common bearberry, common blueberry, saskatoon, three-toothed cinquefoil, cream-colored vetchling, wild vetch, northern bedstraw, veiny meadow rue, wild lily-of-the-valley, fleabane, wild strawberry, graminoids
SP02	6015081	396375	5	Topsoil (A) = 8 cm; sandy loam Subsoil (B) = 16 cm; loam	nearly level; golden coloured sand (sandy clay texture) containing small gravel at the bottom; soil pit depth 45 cm	aspen dominated, occasional jack pine and white spruce, common blueberry, snowberry, Canada buffaloberry, twining honeysuckle, currant, prickly rose, saskatoon, cream-colored vetchling, veiny meadow rue, wild lily-of-the-valley, nodding onion, common yarrow, aster, northern bedstraw, Canada anemone, heart-leaved Alexanders, western wood lily, harebell, graminoids
SP03	6015678	395837	5	Topsoil (A) = 8 cm; sandy loam Subsoil (B) = 10 cm; sandy loam	gently undulating plateau; mossy ground; wavy Ah; golden coloured sand containing small gravel at the bottom; soil pit depth 42 cm	mainly jack pine, occasional aspen, green alder, common bearberry, common blueberry, bog cranberry, twinflower, saskatoon, prickly rose, cream-colored vetchling, wild vetch, northern bedstraw, wild lily-of-the-valley, wild strawberry, moss, graminoids
SP04	6015641	396053	5	Topsoil (A) = 10 cm; sandy loam Subsoil (B) = 6 cm; sandy loam	nearly flat; mossy ground; golden coloured coarse sand at the bottom; soil pit depth 50 cm	same ratio of aspen and jack pine, green alder, common bearberry, common blueberry, Canada buffaloberry, bog cranberry, twining honeysuckle, twinflower, saskatoon, occasional prickly rose, wild sarsaparilla, cream-colored vetchling, northern bedstraw, wild lily-of-the-valley, wild strawberry, moss, graminoids

Conservation and Reclamation Business Plan
 Applicant: Jordan Ball and Cathy Ball
 Parts of NW & SW 14-061-18-W4M
 SML 120005 & SML 120006

Soil Pit Number	GPS Coordinates (Zone 12, NAD 83)		LFH (cm)	Soil Texture	Slope Position and General Comments	Soil Pit Location and Vegetation
	Northing	Easting				
P05	6015652	396202	7	Topsoil (A) = 16 cm; loamy sand Subsoil (B) = 11 cm; loamy sand	bottom of the slope; mossy ground; golden coloured sand at the bottom; soil pit depth 55 cm	mainly jack pine, less aspen, common blueberry, common bearberry, Canada buffaloberry, bog cranberry, prickly rose, twining honeysuckle, twinflower, saskatoon, cream-colored vetchling, northern bedstraw, pink wintergreen, one- sided wintergreen, veiny meadow rue, wild lily-of-the-valley, wild strawberry, aster, moss, graminoids
SP06	6015457	395825	5	Topsoil (A) = 9 cm; sandy loam Subsoil (B) = 11 cm; loamy sand	gently undulating plateau; mossy floor; coarse sand with small gravels below "B"; soil pit depth 40 cm	same ratio of jack pine and aspen, green alder, pin cherry, bracted honeysuckle, common bearberry, common blueberry, snowberry, Canada buffaloberry, bog cranberry, prickly rose, saskatoon, bunchberry, cream-colored vetchling, northern bedstraw, veiny meadow rue, wild strawberry, moss, graminoids
SP07	6015176	395844	4	Topsoil (A) = 6 cm; sandy loam Subsoil (B) = 6.5 cm; sandy loam	gently undulating plateau; mossy floor; gravel below "B" at 12.5 cm (big gravel with loamy sand textured matrix); soil pit depth 30 cm	jack pine, aspen (transition of aspen to jack pine), small aspen, common blueberry (lots), common bearberry, twining honeysuckle, twinflower, saskatoon, prickly rose, Canada buffaloberry (occasional), cut-leaved anemone, cream-colored vetchling, wild vetch, northern bedstraw, veiny meadow rue, three-toothed cinquefoil, wild lily-of-the-valley, wild strawberry, aster leaves, moss, sedges, graminoids, lichen

Ball [SML 120005 & SML 120006] - CRBP Update and SIR Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sr

Conservation and Reclamation Business Plan
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Soil Pit Number	GPS Coordinates (Zone 12, NAD 83)		LFH (cm)	Soil Texture	Slope Position and General Comments	Soil Pit Location and Vegetation
	Northing	Easting				
SP08	6014986	395986	3	Topsoil (A) = 4 cm; sandy loam Subsoil (B) = 12 cm; loamy sand	gently undulating plateau; a 7 cm light coloured sand layer (sandy loam texture) below "B", clean; coarse golden sand containing small gravel at the bottom; soil pit depth 36 cm	mixed aspen and jack pine, green alder, small aspen, common blueberry, common bearberry, twining honeysuckle, twinflower, saskatoon, Canada buffaloberry, cut-leaved anemone, cream-colored vetchling, wild vetch, northern bedstraw, three-toothed cinquefoil, wild lily-of-the-valley, wild strawberry, aster leaves, moss, graminoids
SP09	6015399	396246	3	Topsoil (A) = 13 cm; silty loam Subsoil (B) = 17 cm; clay loam	toe of a gentle slope; contains two "A" layer: first "A" 7 cm & 2nd "A" 6 cm thick, a 4 cm lighter grey layer (clay loam tex.) between the two "A"; second "B" (13 cm) is also light grey in colour; a tree log in the soil pit; clay at the bottom; soil pit depth 53 cm	only aspen, some willow, choke cherry, baneberry, wild red raspberry, currant, twining honeysuckle, saskatoon, prickly rose, cream-colored vetchling, wild vetch, veiny meadow rue, nodding onion, graminoids
SP10	6015379	396051	4	Topsoil (A) = 3 cm; sandy loam Subsoil (B) = 10 cm; loamy sand	nearly flat; mossy floor; "C" layer (loamy sand texture) has gravel in it; gravel layer starts at 23 cm; soil pit depth 28 cm -- can't penetrate further	mainly aspen, some jack pine, small white spruce and small aspen, some willow, common blueberry, common bearberry, Canada buffaloberry, bog cranberry, bracted honeysuckle, prickly rose, twining honeysuckle, twinflower, saskatoon, a bit of snowberry, cut-leaved anemone, cream-colored vetchling, northern bedstraw, one-sided wintergreen, wild lily-of-the-valley, wild strawberry, aster leaves, moss, graminoids

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Ball [SML 120005 & SML 120006] - CRBP Update and SIR Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sr

Soil Pit Number	GPS Coordinates (Zone 12, NAD 83)		LFH (cm)	Soil Texture	Slope Position and General Comments	Soil Pit Location and Vegetation
	Northing	Easting				
SP11	6015159	396055	5	Topsoil (A) = 4 cm; loamy sand Subsoil (B) = 7 cm; loamy sand	mid slop, gently undulating; mossy floor; "C" layer starts at 16 cm; golden coloured coarse sand stats at 10 cm into "C"; soil pit depth 30 cm	mainly jack pine, aspen (occasional), 1 white spruce, small aspen, common blueberry, common bearberry, Canada buffaloberry, prickly rose, twining honeysuckle, twinflower, saskatoon, bunchberry, cream-colored vetchling, wild vetch, wild lily-of-the-valley, wild sarsaparilla (not widespread), aster leaves, moss, graminoids
SP12	6015204	396251	2	Topsoil (A) = 5cm; sandy loam Subsoil (B) = 4 cm; loam	soil pit location is in the cleared, disturbed, and grazed area; mid slope; compacted soil, very hard to dig; "C" layer texture is silt loam; soil pit depth 28 cm	small willow, choke cherry, saskatoon, snowberry, currant, prickly rose, wild vetch, veiny meadow rue, wild strawberry, graceful cinquefoil, harebell, fleabane, aster leaves, graminoids
SP13	6014880	396121	2	Topsoil (A) = 6 cm; sandy loam Subsoil (B) = 8 cm; sandy loam	nearly flat; " B" soil layer is cream coloured; golden coloured sand below, becomes softer and reddish at the bottom. Soil pit depth 60 cm	jack pine, young aspen, green alder, common blueberry (lots) , common bearberry, snowberry, prickly rose, saskatoon, bog cranberry, cream-colored vetchling, wild vetch, wild lily-of-the-valley, aster leaves, common yarrow, fleabane, northern bedstraw, wild strawberry, moss (not widespread), graminoids

On average the thickness of:

- LFH = 4 cm
- Topsoil = 7.8 cm
- Subsoil = 9.6 cm

It should be noted that charcoal was present at the top of all soil profile in almost all the soil pits.

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Soil Pit 01



Conservation and Reclamation Business Plan
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Soil Pit 02



Conservation and Reclamation Business Plan
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Soil Pit 03



Conservation and Reclamation Business Plan
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Soil Pit 04



Conservation and Reclamation Business Plan
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Soil Pit 05



Conservation and Reclamation Business Plan
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Soil Pit 06



Conservation and Reclamation Business Plan
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Soil Pit 07



Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
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Soil Pit 08



Conservation and Reclamation Business Plan
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Soil Pit 09



Conservation and Reclamation Business Plan
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Soil Pit 10



Conservation and Reclamation Business Plan
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Soil Pit 11



Conservation and Reclamation Business Plan
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Soil Pit 12



Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
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Soil Pit 13



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APPENDIX C

- Plant Species Observations
- Weed Survey Form and Observations
- ACMIS Search Results
- Sensitive Plant Search
- Ecosite Classification

Conservation and Reclamation Business Plan
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Parts of NW and SW 14-061-18-W4M
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Appendix C.1

Plant Species Observations

Conservation and Reclamation Business Plan
 Applicant: Jordan Ball and Cathy Ball
 Parts of NW and SW 14-061-18-W4M
 SML 120005 and SML 120006

C.1 PLANT SPECIES OBSERVATIONS

Table C.1 lists the plants observed and recorded during a field visit on July 14 to 15, 2015 to study the area. A portion of photographs taken are also included (following the Table C.1). The list is not intended to be a comprehensive list of all species present on the SML's, but it is representative of the plants observed. Non-native species are shown in red text. Nomenclature follows the ACIMS standard found in [List of All Elements](#) [14].

Table C.1 Summary of plants observation during site investigation

Life Form	Common Name	Scientific Name	Author
TREE	aspen	<i>Populus tremuloides</i>	Michx.
	jack pine	<i>Pinus banksiana</i>	Lamb.
	white spruce	<i>Picea glauca</i>	(Moench) Voss
SHRUB	bog cranberry	<i>Vaccinium vitis-idaea</i>	L.
	bracted honeysuckle	<i>Lonicera involucrata</i> var. <i>nvolucrata</i>	(Richardson) Banks ex Spreng.
	buckbrush	<i>Symphoricarpos occidentalis</i>	Hook.
	Canada buffaloberry	<i>Shepherdia canadensis</i>	(L.) Nutt.
	Choke cherry	<i>Prunus virginiana</i>	L.
	common bearberry	<i>Arctostaphylos uva-ursi</i>	(L.) Spreng.
	common blueberry	<i>Vaccinium myrtilloides</i>	Michx.
	currant	<i>Ribes spp.</i>	
	green alder	<i>Alnus viridis</i>	(Vill.) Lam. & DC.
	prickly rose	<i>Rosa acicularis</i>	Lindl.
	red and white baneberry	<i>Actaea rubra</i>	(Ait.) Willd.
	saskatoon	<i>Amelanchier alnifolia</i>	(Nutt.) Nutt. ex M. Roemer
	snowberry	<i>Symphoricarpos albus</i>	(L.) Blake
	twining honeysuckle	<i>Lonicera dioica</i>	L.
	twinflower	<i>Linnaea borealis</i>	L.
	wild gooseberry	<i>Ribes hirtellum</i>	Michx.
	wild red raspberry	<i>Rubus idaeus</i>	L.
	willow	<i>Salix sp.</i>	
FORB	agrimony	<i>Agrimonia striata</i>	Michx.
	annual hawk's-beard	<i>Crepis tectorum</i>	L.
	bunchberry	<i>Cornus canadensis</i>	L.
	Canada anemone	<i>Anemone canadensis</i>	L.
	Canada goldenrod	<i>Solidago canadensis</i>	L.
	common dandelion	<i>Taraxacum officinale</i>	G.H. Weber ex Wiggers
	common fireweed	<i>Epilobium angustifolium</i>	(L.) Holub.
	common pink wintergreen	<i>Pyrola asarifolia</i>	Michx.
	common yarrow	<i>Achillea millefolium</i>	L.
	cow parsnip	<i>Heracleum lanatum</i>	Bartr.
	cream-colored vetchling	<i>Lathyrus ochroleucus</i>	Hook.
	cut-leaved anemone	<i>Anemone multifida</i>	Poir.
	Drummond's thistle	<i>Cirsium drummondii</i>	Torr. & Gray
fringed loosestrife	<i>Lysimachia ciliate</i>	L.	

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J. Ball and C. Ball [SML 120005 & SML 120006] - CRBP Update and SIR Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sept. 20, 2016)

Life Form	Common Name	Scientific Name	Author
FORB (cont.)	giant hyssop	<i>Agastache foeniculum</i>	(Pursh) Kuntze
	graceful cinquefoil	<i>Potentilla gracilis</i>	Dougl. ex Hook.
	heart-leaved Alexanders	<i>Zizis aptera</i>	(Gray) Fern.
	harebell	<i>Campanula rotundifolia</i>	L.
	Lindley's aster	<i>Symphotrichum ciliolatum</i>	(Lindl.) Á. Löve & D. Löve
	Macoun's buttercup	<i>Ranunculus macounii</i>	Britt.
	marsh hedge-nettle	<i>Stachys palustris</i>	L.
	narrow-leaved collomia	<i>Collomia linearis</i>	Nutt.
	northern bedstraw	<i>Galium boreale</i>	L.
	nodding onion	<i>Allium cernuum</i>	Roth
	one-sided wintergreen	<i>Orthilia secunda</i>	(L.) House
	red clover	<i>Trifolium pratense</i>	L.
	red and white baneberry	<i>Actaea rubra</i>	(Ait.) Willd.
	seneca snakeroot	<i>Polygala senega</i>	L.
	smooth fleabane	<i>Erigeron glabellus</i>	Nutt.
	star-flowered Solomon's-seal	<i>Smilacina stellata</i>	(L.) Link
	tall larkspur	<i>Delphinium glaucum</i>	S. Wats.
	tall lungwort	<i>Mertensia paniculata</i>	(Ait.) G. Don
	thistle (not creeping thistle)	<i>Cirsium sp.</i>	
	three-toothed cinquefoil	<i>Sibbaldiopsis tridentata</i>	(Ait.) Rydb.
	twining honeysuckle	<i>Lonicera dioica</i>	L.
	veiny meadow rue	<i>Thalictrum venulosum</i>	Trel.
	western Canada violet	<i>Viola Canadensis</i>	L.
	western wood lily	<i>Lilium philadelphicum</i>	L.
	white cinquefoil	<i>Potentilla arguta</i>	Pursh
	white cockle	<i>Silene pratensis</i>	(P. Mill.) Greuter & Burdet
wild lily-of-the-valley	<i>Maianthemum canadense</i>	Desf.	
wild sarsaparilla	<i>Aralia nudicaulis</i>	L.	
wild strawberry	<i>Fragaria virginiana</i>	Duchesne	
wild vetch	<i>Vicia americana</i>	Muhl. ex Willd.	
GRAMINOID	bluegrass	<i>Poa spp.</i>	
	brome grass	<i>Bromus spp.</i>	
	lowland sedges	<i>Carex spp.</i>	
	upland sedges	<i>Carex spp.</i>	
	wheat grass	<i>Agropyron spp.</i>	
MOSS	Schreber's moss	<i>Pleurozium schreberi</i>	(Brid.) Mitt.
	knight's plume moss	<i>Ptilium crista-castrensis</i>	(Hedw.) De Not.
LICHEN	reindeer lichen	<i>Cladonia sp.</i>	
FUNGI	various mushrooms		

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prickly rose (*Rosa acicularis*)



common yarrow (*Achillea millefolium*)



western wood lily (*Lilium philadelphicum*)



nodding onion (*Allium cernuum*)



seneca snakeroot (*Polygala senega*)



wild lily-of-the-valley (*Maianthemum canadense*)
twinflower (*Linnaea borealis*), common pink wintergreen
(*Pyrola asarifolia*)

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agrimony (*Agrimonia striata*)



northern bedstraw (*Galium boreale*)



smooth fleabane (*Erigeron glabellus*)



common pink wintergreen (*Pyrola asarifolia*)



veiny meadow rue (*Thalictrum venulosum*)



fringed loosestrife (*Lysimachia ciliata*)

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giant hyssop (*Agastache foeniculum*)



three-toothed cinquefoil (*Potentilla tridentate*)



wild sarsaparilla (*Aralia nudicaulis*)



tall lungwort (*Mertensia paniculata*)



Lindley's aster (*Symphotrichum ciliolatum*)



bunchberry (*Cornus canadensis*)



Lindley's aster (*Symphotrichum ciliolatum*)



wild sarsaparilla (*Aralia nudicaulis*)

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red clover (*Trifolium pratense*)



Canada anemone (*Anemone canadensis*)



marsh hedge-nettle (*Stachys palustris*)



common fireweed (*Epilobium angustifolium*)



graceful cinquefoil (*Potentilla gracilis*)



harebell (*Campanula rotundifolia*)



Canada goldenrod (*Solidago Canadensis*)

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western Canada violet (*Viola Canadensis*)



star-flowered Solomon's-seal (*Smilacina stellata*)



cream-colored vetchling (*Lathyrus ochroleucus*)



wild vetch (*Vicia americana*)



heart-leaved Alexanders (*Zizia aptera*)



tall larkspur (*Delphinium glaucum*)



wild gooseberry (*Ribes hirtellum*)

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plains cinquefoil (*Potentilla bipinnatifida*)



narrow-leaved collomia (*Collomia linearis*)



white cinquefoil (*Potentilla argute*)



Drummond's thistle (*Cirsium drummondii*)



cow parsnip (*Heracleum lanatum*)



Macoun's buttercup (*Ranunculus macounii*)

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common blueberry (*Vaccinium myrtilloides*)



prickly rose (*Rosa acicularis*)



buckbrush (*Symphoricarpos occidentalis*)



snowberry (*Symphoricarpos* spp.)



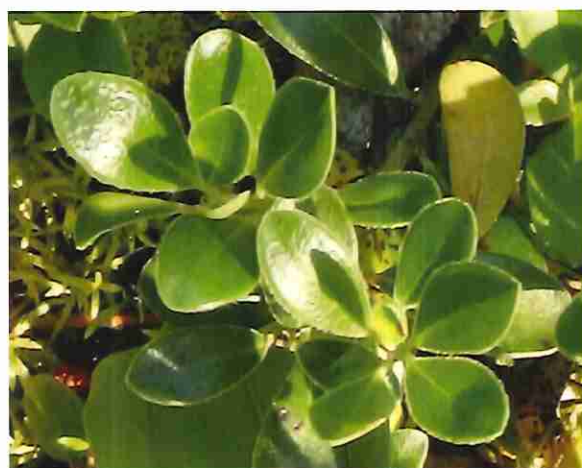
saskatoon (*Amelanchier alnifolia*)



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bog cranberry (*Vaccinium vitis-idaea*)



common bearberry (*Arctostaphylos uva-ursi*)



red and white baneberry (*Actaea rubra*)



twinflower (*Linnaea borealis*)



twining honeysuckle (*Lonicera dioica*)



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Canada buffaloberry (*Shepherdia canadensis*)



pin cherry (*Prunus pensylvanica*)



choke cherry (*Prunus virginiana*)

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Green alder (*Alnus viridis*)



reindeer lichen (*Cladonia* sp.)



Lichen growing on broken tree branches

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Schreber's moss (*Pleurozium schreberi*)



knight's plume moss (*Ptilium crista-castrensis*)



2 forms of fungi

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Appendix C.2

Weed Survey Form and Observations

Appendix A: Weed Survey Form

Survey Date: July 14-15, 2015 **Observer:** M. Parseyan, L. Laird, and N. Alemu (Tor Land Resource Inc.)

Legal Land Description: W1/2 14 61 18 4
1/4 Sec Sec Twp Rge Mer

Comments/Description: Consolidated SML 120005 (Jordan Ball) and SML120006 (Cathy Ball)

GPS Latitude: approx. 54.27N (centroid of SML's) **Longitude:** approx. 112.59 W (centroid of SML's)

A. Land Use Type: Circle the appropriate category or fill in other.
Road, trail, wellsite, pipeline, seismic line, utility line, timber processing site,
cutblock, camp, mine, sand or gravel pit, crown land (grazing reserve) facility,
natural), private land (grazing land, cropland, natural)
Other Land Use Type: trails and cutlines through site

B. Weed Species (or Description):

1. white cockle (Silene pratensis)
2. annual hawk's-beard (Crepis tectorum)
3. _____

C. Degree of Infestation and Approximate Infested Area: Record the approximate infested area in hectares or, if linear, meters, according to the level of infestation.

	<u>Species 1</u>	<u>Species 2</u>	<u>Species 3</u>
Trace (Rare) = < 1% cover	<u><0.1</u> ha	<u><0.1</u> ha	<u>_____</u> ha
Low (Occasional plants) = ≥ 1% and < 5% cover	<u>_____</u> ha	<u>_____</u> ha	<u>_____</u> ha
Moderate (Scattered plants) = ≥ 5% and < 25% cover	<u>_____</u> ha	<u>_____</u> ha	<u>_____</u> ha
High (Fairly dense) = ≥ 25% cover	<u>_____</u> ha	<u>_____</u> ha	<u>_____</u> ha
Linear (i.e. Trail, Seismic line)	<u>_____</u> m	<u>_____</u> m	<u>_____</u> m

Comments: just a few plants in a cutline for each species

D. Growth Stage: From the list below, record the letter(s) representing the appropriate growth stage.

Species 1 FL Species 2 FL Species 3 _____

S = Seedling B = Bolt Bd = Bud Fl = Flower SS = Seed Set M = Mature

E. Control Action Taken: None

F. Signature:

Company Representative: _____

Public Land Officer/Land Owner: _____

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C.2-2 Weed Observation

Two types of weeds were observed and recorded during a field visit on July 14 to 15, 2015 to study the area. Nomenclature follows the ACIMS standard found in [List of All Elements](#) [14]. The white cockle (*Silene latifolia* Poiret ssp.) is classified as a noxious weed by the Alberta Invasive Species [30] and the annual hawk's-beard (*Crepis tectorum*) is classified as a serious weed by Government of Alberta [27].

Figure C.1 White cockle (*Silene latifolia* Poiret ssp.) a noxious weed found during site investigation



Conservation and Reclamation Business Plan
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Figure C.2 Annual hawk's-beard (*Crepis tectorum*) a broad-leaved weed found during site investigation



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Appendix C.3

ACIMS Search Results

Table of Results [Print Preview](#)

Date: 17/6/2016
Requestor: Consultant
Reason for Request: Environmental Assessment
SEC: 14 **TWP:** 061 **RGE:** 18 **MER:** 4



■ Non-sensitive EOs: 0 *(Data Updated: July 2015)*

M-RR-TTT-SS	EO_ID	ECODE	S_RANK	SNAME	SCOMNAME	LAST_OBS_D
-------------	-------	-------	--------	-------	----------	------------

No Non-sensitive EOs Found: Next Steps - See FAQ

■ Sensitive EOs: 1 *(Data Updated: July 2015)*

M-RR-TTT	EO_ID	ECODE	S_RANK	SNAME	SCOMNAME	LAST_OBS_D
4-18-061	16323	PDRUB1T0E0	S3	Houstonia longifolia	long-leaved bluets	7-Jul-06

No Sensitive EOs Found: Next Steps - See FAQ

■ Protected Areas: 0 *(Data Updated: May 2015)*

M-RR-TTT-SS	PROTECTED AREA NAME	TYPE	IUCN
-------------	---------------------	------	------

No Protected Areas Found

■ Crown Reservations/Notations: 0 *(Data Updated: May 2015)*

M-RR-TTT-SS	NAME	TYPE
-------------	------	------

No Crown Reservations/Notations Found

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Appendix C.4

Sensitive Plant Search

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
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C.4 SENSITIVE PLANT SEARCH

ACIMS Search Result shows the presence of long-leaved bluets (*Houstonia longifolia*) within SEC 14-061-18-W4M (classified as sensitive). The preferred habitat for this plant is dry gravelly or sandy soils in open upland areas; its blooming period in Alberta is typically late June to July [29]. The flower is distinctive for its purplish blue to pale blue colour, the 4-lobed tubular corolla, and the 4 stamens inserted at the upper edge of the tube, as seen in Figure C.3 and Figure C.4.

Figure C.3 Long-leaved Bluets (*Houstonia longifolia*) photographed in Alberta



Source: [Edmonton Nature Club](#) [28]

Figure C.4 Long-leaved Bluets (*Houstonia longifolia*) photographed in Minnesota



Source: [Minnesota Wildflowers, a field guide to the flora of Minnesota](#) [26]

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During our field investigation of the site on July 14 and 15, 2015, the long-leaved bluet was searched. Detailed searches were done at the 13 soil pit locations and in large open areas; the sensitive plant was also searched for during general reconnaissance of the site. The areas with a high likelihood to host the sensitive plant, such as the gully photographed below, were traversed multiple times by 3 different individuals. Gully is located on the east side of the SMLs.

Figure C.5 Photographs of preferred habitat of Long-leaved Bluets (*Houstonia longifolia*) taken during site investigation



No occurrences were observed.

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Applicant: Jordan Ball and Cathy Ball
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Appendix C.5

Ecosite Classification

C.5 ECOSITE CLASSIFICATION

As mentioned previously, three different plant communities were identified using indicators described for the Boreal Mixedwood Natural Region by Beckingham and Archibald in *Field Guide to Ecosites of Northern Alberta* (1996) [12]. The following sections describes the plant communities more in-depth along with photographs taken during site investigation.

C.5-1 Jack Pine-Aspen/Blueberry-Bearberry (b1.1)

The vast majority of the site occurs on an undulating plateau covered with jack pine-aspen forest with a common blueberry-common bearberry dominated understory. Indicator species for this plant community type were present throughout this ecosite type with some variation in proportional abundance due to local microtopography, variation in crown density, or successional stage (in response to local fire severity). For example, the relevant abundance of jack pine and aspen ranged from stands dominated by one or the other to an even mixture of both species. Some of the jack pine trees are fire-scarred as seen in Figure C.9. While common blueberry and common bearberry clearly dominate the shrub layer, other frequently observed species include: bog cranberry, Canada buffaloberry, twinflower, twining honeysuckle, saskatoon, prickly rose, green alder, wild lily-of-the-valley, cream-colored vetchling, wild strawberry, and feather mosses. Reindeer lichen was very rare.

The majority of the soil profiles in this community indicated well drained submesic to subxeric soil conditions with an effective soil texture of sandy loam to loamy sand (see soil pits SP01-08, SP10 to 11, SP13 in Table B.1 in Appendix B). In some areas, gravel occurred within 25 cm of the surface. Charcoal was present in all soil profiles.

Figure C.6 Photographs of mixed jack pine-aspen overstory (left) and understory (right) taken during site investigation



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The understory of the mixed aspen and jack pine consisted typically of common blueberry, common bearberry, prickly rose, saskatoon, northern bedstraw, cream coloured vetchling, wild strawberry, three-toothed cinquefoil, dandelion, and graminoids.

Figure C.7 Photographs of jack pine dominated overstory (left) and understory (right) taken during site investigation)



Figure C.8 Photographs of aspen dominated overstory (left) and understory (right) taken during site investigation)



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Figure C.9 Fire scarred and burned jack pines found during site investigation



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SML 120005 and SML 120006

C.5-2 Aspen/Saskatoon-Pin cherry (d1.2)

This plant community occurs in the northeast corner of SML 120005 where a fairly shallow gully is situated (Figure 3.1: Ecosite Map of SML 120005 and 120006). Overstory in this community is dominated by a dense stand of aspen. Prickly rose, saskatoon, willow, pin cherry, choke cherry, and wild red raspberry dominate the shrub layer. Other shrubs are currant, twining honeysuckle, and buckbrush. Additional understory species include cream-colored vetchling, wild vetch, veiny meadow rue, nodding onion, tall lungwort, giant hyssop, western Canada violet, wild strawberry, and northern bedstraw.

Edaphic conditions are mesic to submesic with silt loam textured topsoil and clay loam textured subsoil (see description of SP09 in Table B.1 in Appendix B).

Figure C.10 Photographs of aspen/saskatoon-pin cheery overstory taken during site investigation



In Figure C.10, young aspen, and willows can be seen (in the far left side), along with prickly rose and other vegetation typical of an Aspen/Saskatoon-Pin cherry (d1.2) plant community.

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Figure C.11 Photographs of young aspen overstory (left) and understory (right) taken during site investigation



The young aspen overstory with pin cherry, prickly rose and buckbrush shrubs can be seen in Figure C.11. The typical understory of Aspen/Saskatoon-Pin cherry (d1.2) consists of saskatoon, buckbrush, prickly rose, cream-colored vetchling, northern bedstraw, wild vetch, veiny meadow rue, nodding onion, wild strawberry, and graminoids.

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C.5-3 Disturbed, cleared and grazed area

This area is located on the east side of SML 120005 (see Figure 2 in section 7.2). Common shrubs to occur in this area are small willow, choke cherry, saskatoon, snowberry, currant, and prickly rose. Other understory species include wild vetch, veiny meadow rue, wild strawberry, graceful cinquefoil, harebell, fleabane and aster. Soil is somewhat compacted and edaphic conditions are mesic to submesic. Topsoil texture is sandy loam and subsoil texture is loam (see description of SP12 in Table B.1 in Appendix B).

Figure C.12 Disturbed, cleared, and grazed area on the east side of SML 120005



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Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

APPENDIX D

- Wildlife Survey by Bighorn Wildlife Technologies Ltd.
- FWMIS Report
- AER Landscape Analysis Tool Report

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix D.1
Wildlife Survey by Bighorn Wildlife
Technologies Ltd.

Surface Materials Leases: SML 120100, 120005 and 120006 Wildlife Survey

Prepared by Bighorn Wildlife Technologies Ltd.
Prepared for Tor Land Resource Inc.
September 11, 2016

1.0 Introduction

This report summarizes observations made during a wildlife survey of SML 120100, SML 120005 and SML 120006, July 14 and 15, 2016. Relative abundance and occurrence of all wildlife observed or heard are documented with special attention to species at risk as per Alberta Environment and Parks emails of March 3, 2016 and May 25, 2016 (M. Bernard). Beth MacCallum MEdes, P Biol and Rainer Ebel (ornithologist) assisted by Manna Parseyan conducted the survey.

2.0 Study Area

SML120100 is located within Sec 21-TWP 61-RGE 18-W4M while SML 120005 and 120006 are located within parts of Sec 14-TWP 61-RGE 18-W4M. Leaseholders plan to extract the sand and gravel within the lease areas to meet the demand for aggregate for private and public projects in Smoky Lake County, Sturgeon County and the Edmonton area. The study area is currently treed and falls within the Central Mixedwood Natural Subregion of the Boreal Natural Region. The SMLs have a grazing lease.

SML 120100

The dominant tree types in SML 120100 are jack pine and aspen. Main understory shrubs include common bearberry, green alder, common blueberry, prickly rose and saskatoon (Ball 2015). SML 120100 is located on a rolling and hummocky plain that is adjacent to and oriented NE-SW, parallel with a melt water channel that is occupied by the modern White Earth Creek (Ball 2015). A series of natural ponds are located outside of the southern boundary of the SML. The west side of the SML is bordered by a small stream.

SML 120005 and 120006

Vegetation is dominated by Jack Pine-Aspen/Blueberry- Bearberry (b1.1) ecosite [PC-1] (Figure 3-1, Appendix 3 Ecosite Survey Report). A small cleared area is located on the southeast corner. It is classified as a disturbed, cleared and grazed area [DC]. North of the cleared area there is a small area of Aspen/Saskatoon-Pin cherry (d1.2) vegetation (Ball and Ball 2013). The topography is gently rolling to hummocky. The site does not contain and is not adjacent to a permanent water body. There is an ephemeral draw which is shown on the Smoky Lake County Ownership Map passing through the SML's (DWG 1A, 1B) (15). Local surface drainage patterns are likely where hummocks are present. The general direction of surface drainage is from north to south. Overland flow is unlikely because the permeable gravel deposit is at the surface –

rainfall and snowmelt infiltrate the gravel before flowing in the subsurface towards the lower south. Several rounded depressions are found throughout the study area. These are fully treed.

3.0 Methods

Presence/not-detected of boreal breeding birds was sampled using a transect method covering the whole of the local area. On SML 120100 transects, were placed approximately 200 m apart in the direction (NE-SW) parallel to the slope of the ridges (Figure 1). Total transect length walked was 2,966 m; survey time was 2 hours. Additional time was spent recording birds on the nearby pond located on the SE corner of SML 120100. SML 120005 and 120006 were surveyed as one unit; transects were placed 100-200 m apart in a north south direction (Figure 2). Total transect length was 3744; survey time 4.5 hours.

SML 120100 was surveyed July 14 SML 120005 and 120006 were surveyed July 15. This time of year young birds have fledged but not begun to migrate therefore can be considered resident birds. During the survey, all birds observed or heard were recorded as well as sign (i.e., woodpecker holes, nests). All other wildlife sign and observations were also noted.

Observations made en route to the study areas (i.e., through the gravel pit and forest roads) were also recorded as incidental to the survey. Effort was made to identify species that may occur in the general area surrounding the study area by reviewing literature available from Long Lake Provincial Park (Schaafsma and Schaafsma 1973) located to the NW of the study area and interviewing local Smoky Lake (located to the south of the study area) naturalists R. and L. Morgan.

4.0 Results

4.1 Relative Abundance and Occurrence

4.1.1 SML 120100, 120005, 120006

Fourteen bird species and 39 birds were observed on SML120100 and 23 species and 121 birds were observed on SML120005 and 120006 for a total of 30 species and 160 birds (Table 1). The most common birds observed were: Black-capped Chickadee (36), White-winged Crossbill (30 in one flock), White-throated Sparrow (17) and Dark-eyed Junco (12). Relatively Common species were: Hermit Thrush (8), Blue-headed Vireo (7), Least Flycatcher (6), Warbling Vireo, and Barn Swallow. Less Common were: Western Wood-Pewee (4), Yellow-rumped Warbler (4), Red-eyed Vireo (3), Boreal Chickadee (3), American Goldfinch (3), Gray Jay (2), Blue Jay (2), Orange-crowned Warbler. One observation of each of the 11 following species was made during the survey: Mourning Dove, Great Horned Owl, Downy Woodpecker, Alder Flycatcher, Common Raven, Red-breasted Nuthatch, House Wren, American Robin, Cedar Waxwing, Clay-colored Sparrow, and Lincoln's Sparrow. Sign of the Yellow-bellied Sapsucker (old) and Pileated Woodpecker were also observed.

Birds exclusively observed on SML120100 were: Mourning Dove (calling from west side of small creek forming the west boundary of this SML), Great Horned Owl (feather), Yellow-

bellied Sapsucker (old holes in birch), Alder Flycatcher (from south boundary), Warbling Vireo (throughout), Gray Jay, and Common Raven.

Bird species exclusively observed on SML 120005 and 120006 were: Downy Woodpecker, Western Wood-Pewee, Least Flycatcher, House Wren (these three species were located in mature aspen-jackpine with dense shrub understory on access road from east side), Blue-headed Vireo (throughout), Red-eyed Vireo, Gray Jay, Boreal Chickadee, Red-breasted Nuthatch, Hermit Thrush, American Robin, Cedar Waxwing, Clay-colored Sparrow (open fields on east side), Lincoln's Sparrow, White-winged Crossbill (flyover), and American Goldfinch.

Note that all Dark-eyed Juncos observed were Slate-colored Juncos and all Yellow-rumped Warblers observed were Myrtle Warblers.

4.1.2 Incidental

The following additional species were observed in the immediate vicinity of the SMLs on July 14 and 15.

In the gravel pits to the south of the SML's were: Killdeer (1), Wilson's Snipe (1), Tree Swallow (2), Savannah Sparrow (1) and Dark-eyed Junco (1). The gravel pits were comprised of a mix of active areas, volunteer graminoid-forb vegetated hummocks and small water-filled depressions. Cattle were grazing on the vegetated areas. A Texas gate separated the gravel pit area from a black spruce / tamarack marsh. Wilson's Snipe, Gray Jay, and Lincoln's Sparrow were identified at this location.

Several bird species were recorded from the road through the forested area between the gravel pits and the SMLs including a Common Nighthawk, not identified elsewhere.

A series of ponds were located in the lowlands on the SE corner of SML 120100 (Figure 1). The following species were observed on the pond and in the habitat surrounding the pond, July 14, 2016: Mallard (hen with 9 ducklings), Common Goldeneye (possibly an adult in eclipse plumage), Spotted Sandpiper (1), Alder Flycatcher (1), Red-eyed Vireo (1), Hermit Thrush (1), Cedar Waxwing (1), Tennessee Warbler (1), White-throated Sparrow (1). A Sandhill Crane has been observed here during spring migration (pers. comm. Manna Parseyan, Tor Land Resource Inc., July 14, 2016). Habitat for the Yellow Warbler and Common Yellowthroat occur adjacent this pond although none were detected at this time.

A Turkey Vulture and Black Tern were observed on Hwy 28 west of the Town of Smoky Lake and south of the waterbody Smoky Lake, July 15, 2016.

A total of 43 species and 212 birds were observed on the SMLs and immediate vicinity, July 14 and 15 (Table 1).

4.1.3 Regional

Two other sources of birds in the region were researched and results added to Table 1. Eighty

species of birds were identified at Long Lake Provincial Park in 1973 (Schaafsma and Schaafsma 1973) and 35 species of birds were identified in the vicinity of the Town of Smoky Lake; most observations were in habitat near a bridge crossing of White Earth Creek about 5 km NE of Smoky Lake (pers. comm. Bob and Linda Morgan, July 31, 2016).

4.1.4 Other Wildlife

Table 2 summarizes mammal and amphibian observations made during the July 14 and 15th survey. Sign of black bear (fresh scat and turned over logs) was observed throughout the study area. Red squirrel observations and middens were commonly encountered. A Richardson's Ground squirrel was observed in the gravel pits and coyote scat was present on the road between the gravel pits and study area. Moose and deer beds and tracks were found in both areas; two white-tailed deer were observed in a Jackpine stand north of SML 120006. Recent domestic cattle beds were found on a grassy slope in SML120100 and a Wood Frog was observed in riparian habitat associated with the small stream on the west side of SML 120100.

5.0 Summary

Alberta Environment and Parks (Miguel Bernard, email May 25, 2016) indicates that:

SE-21-61-18 W4M is identified as an Environmentally Significant Area in proximity to a KWBZ, with numerous Species At Risk or Species of Management Concern identified within approximately 5 km of, and within similar habitats as, the SML area – suggesting that this area contains high biodiversity and habitat value (e.g. extracted from table: Western Toad (Sensitive and Special Concern), Canadian Toad (May Be At Risk, Data Deficient and Special Concern (Schedule 1), Green-winged Tea (Sensitive), Lesser Scaup (Sensitive), Great Blue Heron (Sensitive), Sora (Sensitive), Sandhill Crane (Sensitive), Western Wood-Pewee (Sensitive), Least Flycatcher (Sensitive), Sedge Wren (Sensitive), Common Yellowthroat (Sensitive) and Canada Lynx (Sensitive).

and that (Miguel Bernard, email March 3, 2016):

NW-14-61-18 W4M and SW-14-61-18 W4M are both identified as an Environmentally Significant Areas and lie within the 100 m break of White Earth Creek, with numerous Species At Risk or Species of Management Concern identified within approximately 5 km of, and within similar habitats as, the SML areas (e.g., Lesser Scaup, Green-winged Teal, Sharp-tailed Grouse, Sora, Great Gray Owl, Western Wood-Pewee, Least Flycatcher, Common Yellowthroat, Cape May Warbler, Western Toad, Canadian Toad) – suggesting that this area contains high biodiversity and habitat value.

The occurrence or possible occurrence of these species is discussed in this section and under the categories: Amphibians, Sharp-tailed Grouse, Boreal breeding songbirds and woodpeckers and Boreal raptors and owls as per Miguel Bernard (emails May 25, 2016 and March 3, 2016).

5.1 Amphibians

Suitable waterbodies required by Canadian and Western toads for breeding and egg-laying in the spring do not occur on the SMLs. Similarly, habitat for the Lesser Scaup, Green-winged Teal, Sandhill Crane, Great Blue Heron, Sora, Sedge Wren and Common Yellowthroat does not occur on SML 120100, 120005 and 120006. These species are reliant on waterbodies or wetland shrub habitats associated with waterbodies. Shallow fishless ponds suitable for amphibian breeding ponds can be incorporated into reclamation activities thus providing future breeding habitat for toads, certain waterfowl and shorebirds.

5.2 Sharp-tailed Grouse

The Sharp-tailed Grouse (Sharptail) is listed as Sensitive in Alberta. Alberta Environment and Parks indicates that:

“It is a common, widespread species; however, the population appears to be declining, and farming intensification has decreased habitat availability in central Alberta”

(<http://esrd.alberta.ca/fish-wildlife/species-at-risk/wild-species-status-search.aspx>) [accessed, September 11, 2016].

No evidence of Sharp-tailed Grouse was found during the July 14 and 15, 2016 survey of SMLs 120100, 120005 and 120006. Sharp-tailed Grouse do not appear on the Long Lake Provincial Park bird list nor did the local naturalists from Smoky Lake mention them. Prime habitat for Sharp-tailed Grouse is found farther south and east of the Town of Smoky Lake but they do naturally occur in the Boreal forest at low densities. Hunting for Sharp-tailed Grouse in WMU504 (Amisk) is closed.

Good sharptail habitat contains a mix of grasses, forbs, and many species of shrubs. Sharptails primarily choose habitat based on openness of landscape, height and density of vegetation, and type of vegetation. Preferred vegetation types vary greatly. In the boreal forest, Sharp-tailed Grouse are found in brushy areas, openings, and bogs. In winter, sharp-tailed grouse rely on riparian areas, deciduous hardwood shrub gullies, and deciduous and open coniferous woods. Deciduous trees and shrubs are important for feeding, roosting, and escape.

Sharptails prefer leks sites (spring breeding grounds) with short, sparse vegetation such as grasses, weeds, forbs, and some shrubs. Sparse and open vegetation on leks enables aggressive displays by males and minimizes predation. Sparse shrubs providing escape cover from predators, are often found adjacent to leks. Leks are sometimes associated with recently burned or grazed sites.

Should sharptails occur in the study area, habitat found in SML 120100 is more suited to sharptail preferences than that of SML 120005 and 120006, although a small area of cleared pasture is found in SML 120005. Habitat on SML 120100 is characterized by a mix of open dry grasslands, mixed jackpine-aspen forests and deciduous dominated forest associated with the

riparian area on the west side of the property. Alder, and a variety of berry-bearing shrubs (blueberry, saskatoon, bog cranberry and bearberry) are present throughout this area.

Reclamation promoting a diversity of habitats including grassy open areas, in proximity to open forests and shrubby areas is recommended habitat for Sharp-tailed Grouse.

It was noted that the berry crop (blueberry, saskatoon, bearberry, rose) was abundant in 2016. The inclusion of these plant species in a reclamation program is important for maintaining regional wildlife populations that depend on them (grouse, migratory bird species, black bear).

5.3 Boreal Breeding Songbirds and Woodpeckers

Of the 41 species observed on the SMLs and incidentally during the July 14 and 15 survey, 35 species were listed as 'Secure' by Alberta Environment and Parks and 6 were identified as 'Sensitive'. Sensitive species are: Black Tern, Common Nighthawk, Western Wood-Pewee, Least Flycatcher, Barn Swallow and Pileated Woodpecker.

Black Terns were observed just west of the Town of Smoky Lake from Hwy 28. These birds were likely nesting on Smoky Lake. Habitat for Black Terns does not occur in the study area.

Common Nighthawk nest in a wide range of open, vegetation-free habitats, including burnt-over areas, logged areas, rocky outcrops, grasslands, pastures, peat bogs, marshes, lakeshores, and river banks. This species also inhabits mixed and coniferous forests and is known to occur in dry Jackpine stands. One Common Nighthawk was heard from the forest road between the gravel pits and the study area.

Western Wood-Pewee and Least Flycatcher were found in SML 120005 and SML 120006. The Western Wood-Pewee occurred in edge habitat throughout this area. Least Flycatcher observations were localized on the east side of SML 120005 where the discontinuous canopy provided an ideal open space for foraging for insects under the aspen canopy cover and above the tall shrub vegetation.

Barn Swallows in small numbers were observed foraging above the tree canopy throughout the study area. It is unknown where the roost sites were; they may be some distance from the study area.

Three species of woodpeckers were recorded during the survey. Evidence of Yellow-bellied Sapsucker (Secure in Alberta) was found on birch trees located in SML120100 although the drilling was old and new birch was not touched indicating that perhaps the woodpecker population is low in the area.

Sign that Pileated Woodpecker (Sensitive in Alberta) was foraging on jackpine and aspen trees occurred in both study areas, but in general the aspen trees are too small for nesting for this large bird, especially in SML 120100. Small numbers of Pileated Woodpecker likely use the study area for foraging.

Downy and Hairy Woodpeckers (both Secure in Alberta) may occur along the creek area associated with SML 120100 but in very small numbers. In SML120005, one male Downy Woodpecker was observed in mature aspen forest on the east side of the property.

The Cape May Warbler (Sensitive in Alberta) may occur on the study area during spring and fall migration but old growth forest required for breeding does not occur in the study area.

5.4 Boreal Raptors and Owls

No diurnal raptors were observed on the study area during the July 14 and 15, 2016 survey.

It is possible that Sharp-shinned Hawks (Secure in Alberta) and Cooper's Hawks (Secure in Alberta) use the area for hunting smaller birds. It is possible that Goshawks (Sensitive in Alberta) may also forage here as part of a territory but it is unlikely. Goshawks hunt a variety of small mammals and birds including grouse. Red squirrels and squirrel middens were found throughout the area but there was little evidence to suggest that snowshoe hare, an important prey species for the Goshawk, was present.

The study area is too dry for nesting by Northern Harriers (Sensitive in Alberta).

Trees in SML120100 are too small for nesting by the larger hawks present in the region: Red-tailed Hawk (Secure in Alberta), and Broad-winged Hawk (Sensitive in Alberta).

The Great Horned Owl (Secure in Alberta) is likely the most common nocturnal raptor present in the study area. It is known that Great Grey Owls (Sensitive in Alberta) nest in the Smoky Lake region. These birds may occur in the study area along with the Northern Hawk Owl (Secure in Alberta) in years of small mammal abundance. It is possible that Barred Owls (Sensitive in Alberta) occasionally move through the study area.

6.0 References

Katie Ball. March 2015. Conservation and Reclamation Business Plan Surface Materials Lease SML 120100. Prepared by Tor Land Resource Inc.

Jordan Ball and Cathy Ball. December 2013. Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML 120005, SML 120006. Prepared for by Tor Land Resource Inc.

R.D. & S. Schaafsma. 1973. An ecological survey of Long Lake Provincial Park. Provided by Ksenija Vujnovic. Alberta Environment & Parks [e-mail September 9, 2016].

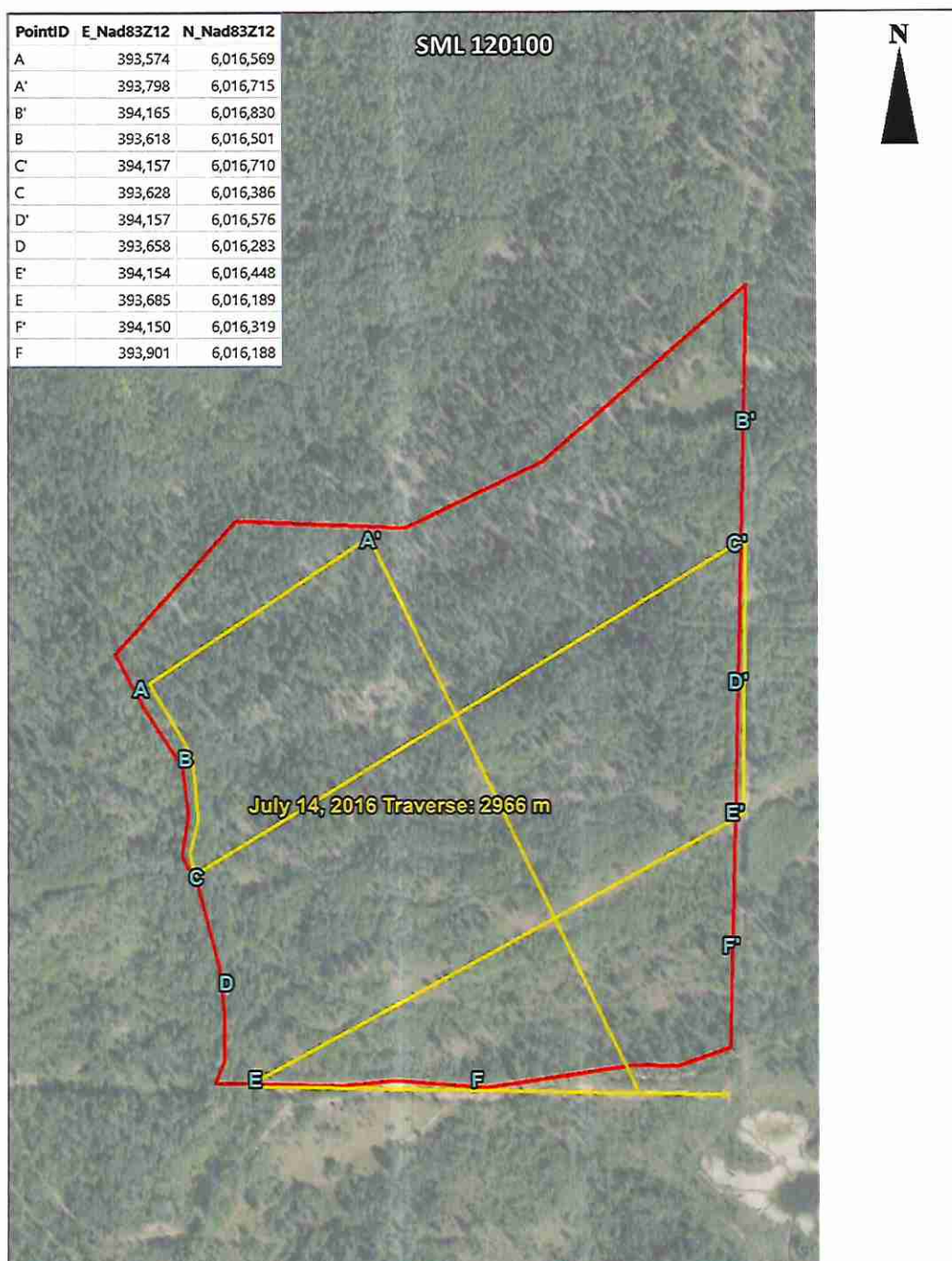


Figure 1. Boundary (red line) and survey route (yellow line) for SML 120100, July 14, 2016.

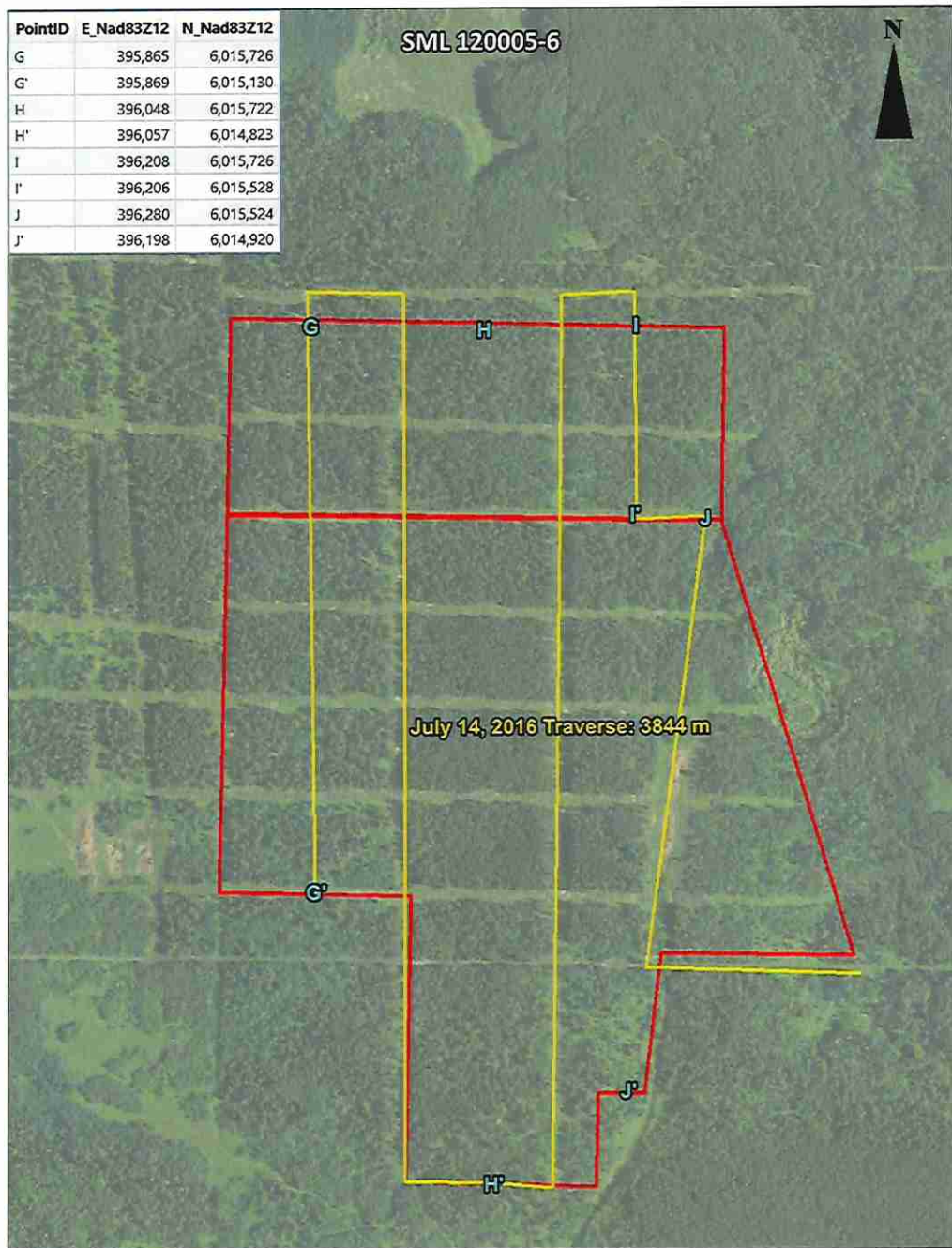


Figure 2. Boundary (red line) and survey route (yellow line) for SML 120005 and 120006, July 15, 2016.

Table 1. Bird list for SML 120100 (July 14, 2016), SML 120005 and 120006 (July 15, 2016), Incidental to the SMLs (July 14 & 15, 2016), Long Lake Provincial Park (1973) and Smoky Lake area (recent).

No.	Common Name	SML 120100	SML 120005 120006	Incidental	All SMLs and Incidental	Birds in Smoky Lake area	Birds in Long Lake Provincial Park
Order	Family	14-Jul	15-Jul	July 14&15	July 14&15	recent	1973
Anseriformes							
Anatidae							
1	American Wigeon						O; U
2	Mallard			10	10		Br; C
3	Blue-winged Teal						O; U
4	Northern Shoveler					O	
5	Northern Pintail					O	
6	Lesser Scaup						O; C
7	White-winged Scoter						O; U
8	Bufflehead					O	O; U
9	Common Goldeneye			1	1	O	O; C
10	Barrow's Goldeneye						O; VU
Galliformes							
Phasianidae							
11	Ring-necked Pheasant					O	
12	Ruffed Grouse						Br; U
Gaviiformes							
Gaviidae							
13	Common Loon						PrB
Podicipediformes							
Podicipedidae							
14	Horned Grebe						PrB
15	Red-necked Grebe						Br; C
Suliformes							
Phalacrocoracidae							
16	Double-crested Cormorant					O	
Pelecaniformes							
Ardeidae							
17	Great Blue Heron					O	O; U
Accipitriformes							
Cathartidae							

18	Turkey Vulture		1	1			
	Pandionidae						
19	Osprey					0	
	Accipitridae						
20	Broad-winged Hawk					0	O; FC
21	Red-tailed Hawk						
	Gruiformes						
	Rallidae						
22	American Coot						O; U
	Gruidae						
23	Sandhill Crane					0	
	Charadriiformes						
	Recurvirostridae						
24	American Avocet						Acc
	Charadriidae						
25	Killdeer		1	1			0
	Scolopacidae						
26	Spotted Sandpiper		1	1			O; C
27	Lesser Yellowlegs						O; C
28	Least Sandpiper						O; C
29	Semipalmated Sandpiper						O; C
30	Wilson's Snipe		2	2			Br; U
	Laridae						
31	Bonaparte's Gull						O; C
32	Franklin's Gull						O; U
33	California Gull						O; U
34	Herring Gull						O; VU
35	Black Tern		1	1			O; C
	Columbiformes						
	Columbidae						
36	Eurasian Collared-Dove					0	
37	Mourning Dove		1	1		0	
	Cuculiformes						
	Cuculidae						
38	Black-billed Cuckoo						PoB
	Strigiformes						
	Strigidae						
39	Great Horned Owl		1	1			O; U
40	Great Gray Owl					0	
	Caprimulgiformes						
	Caprimulgidae						

41	Common Nighthawk			1	1		O; U
	Trochilidae						
42	Ruby-throated Hummingbird					O	O; VU
43	Rufous Hummingbird					O	
	Coraciiformes						
	Alcedinidae						
44	Belted Kingfisher						O; U
	Piciformes						
	Picidae						
45	Yellow-bellied Sapsucker	Sign			Sign	O	O; U
46	Downy Woodpecker		1		1	O	O; U
47	Hairy Woodpecker						O; VU
48	Northern Flicker						O; VU
49	Pileated Woodpecker	Sign	Sign		Sign		PrB
	Falconiformes						
	Falconidae						
	Merlin						O
	Passeriformes						
	Tyrannidae						
50	Western Wood-Pewee		4		4		O; C
51	Alder Flycatcher	1		1	2		O; C
52	Least Flycatcher		6		6		
53	Eastern Phoebe					O	O; U
54	Eastern Kingbird					O	O; C
	Vireonidae						
55	Blue-headed Vireo		7		7		O; VU
56	Warbling Vireo	5			5		
57	Red-eyed Vireo		3	3	6		O; C
	Corvidae						
58	Gray Jay		2	1	3		O; C
59	Blue Jay	2			2	O	O; U
60	Black-billed Magpie					O	O; VU
61	American Crow					O	O; C
62	Common Raven	1			1	O	
	Hirundinidae						
63	Purple Martin					O	
34	Tree Swallow			2	2	O	O; C
65	Northern Rough-winged Swallow						O; U
66	Cliff Swallow					O	

67	Barn Swallow	2	3		5	O	O; C
	Paridae						
68	Black-capped Chickadee	13	23	7	43		O; C
69	Boreal Chickadee		3		3		
	Sittidae						
70	Red-breasted Nuthatch		1		1		
	Troglodytidae						
71	House Wren		1		1		O; FC
72	Marsh Wren						O; FC
	Turdidae						
73	Mountain Bluebird					O	
74	Veery						O; C
75	Swainson's Thrush						O; VU
76	Hermit Thrush		8	4	12		O; VU
77	American Robin		1	1	2		O; C
	Sturnidae						
78	European Starling						
	Bombycillidae						
79	Cedar Waxwing		1	2	3	O	O; U
	Parulidae						
80	Ovenbird						O; C
81	Black-and-white Warbler						O; U
82	Tennessee Warbler			2	2		O; C
83	Orange-crowned Warbler	1	1		2		
84	Mourning Warbler						O; U
85	American Redstart						O; U
86	Yellow Warbler					O	O; C
87	Chestnut-sided Warbler						O; VU
88	Yellow-rumped Warbler	1	3		4		O; C
89	Wilson's Warbler						O; U
	Emberizidae						
90	Chipping Sparrow						O; U
91	Clay-colored Sparrow		1		1		O; C
92	Vesper Sparrow					O	
93	Savannah Sparrow			1	1		
94	Song Sparrow					O	O; U
95	Lincoln's Sparrow		1	1	2		
96	White-throated Sparrow	6	11	5	22		O; C
97	Dark-eyed Junco	5	7	4	16	O	O; C
	Cardinalidae						
98	Rose-breasted Grosbeak						O; C

99	Red-winged Blackbird						O; C
100	Brewer's Blackbird						Br; VU
101	Brown-headed Cowbird						Br; FC
102	Baltimore Oriole						O; C
	Fringillidae						
103	White-winged Crossbill		30		30		
104	Pine Siskin						O; VU
105	American Goldfinch		3		3	O	O; VU
	Passeridae						
106	House Sparrow					O	
	No of species	14	23	21	43	35	80
	Total Birds	39	121	52	212		
Breeding Status (Long Lake Provincial Park)							
Br Breeding confirmed (nest building, eggs in nest, adult carrying food, recently fledged young)							
PrB Probable Breeding (pair or male observed in suitable habitat exhibiting courtship or visits to nest site)							
PoB Possible Breeding (observed or heard singing in suitable habitat)							
O Observed (Information not enough to determine seasonal occurrence or breeding)							
Relative Abundance (Long Lake Provincial Park)							
C Common (Species very likely to be seen)							
FC Fairly Common (Species rather numerous but fewer than common species)							
U Uncommon (Species seen infrequently, may have a large range or occur in low numbers)							
VU Very Uncommon (record of one bird or one pair during observation period)							

Table 2. Wildlife observations and sign recorded during the bird survey of SML 120100, 120005 and 120006, July 14 and 15, 2016. Refer to Figure 1 and 2 for location reference.

July 14, 2016

Number of sightings	Wildlife observations or sign	Location (with GPS location when available) [UTM Zone 12]
In the vicinity of SML 120100		
1	Richardson's Ground Squirrel	in gravel pits south of study area.
	Coyote scat	on forest road between gravel pit and study area
In SML 120100		
	Deer tracks	on trail from SE corner to F
	Black bear droppings (old) on slope	394048 E, 6016395 N
	Moose tracks	heading N along fence between E and E'
	Deer tracks	heading S along fence between E and E'
1	Milbert's Tortoiseshell	between E' and C'
	Red squirrel - very large midden	393969 E, 6016608 N
	Black bear possible den	393969 E, 6016608 N
	Pileated Woodpecker holes in jack pine trees	393955E, 6016575 N
	Moose tracks in old test plot	393737 E, 6016402 N
7	Domestic cattle beds on grass/sedge slope	393680 E, 6016378 N
1	Wood frog under aspen forest beside creek	393639 E, 6016369 N
1	summer squirrel nest	393768 E, 6016733 N
	Black bear sign: logs turned over	394111 E, 6016251 N
1	old set of White-tailed Deer antlers	394111 E, 6016251 N

July 15, 2016

SML120005 and 120006

Time of Observation (HH:MM) 24hr	Number of sightings	Wildlife observations or sign	Location (with GPS location when available) [UTM Zone 12]
08:49		Black bear droppings	along trail and logs turned over J' to J
09:06		Moose bed on cutline and moose tracks	396202 E, 6015614 N
9:15		Large squirrel midden	in bottom of 2 nd basin north of cutline 396201 E, 6015643 N
09:30	2	White-tailed deer (female and unknown)	in jack pine stand on the north side of cutline at I (Figure 2); snort and run away.
10:40		Pileated Woodpecker holes at the base of aspen trees	396065 E, 6014826 N
10:40		very old female white-tailed deer skull and femur	near H' (Figure 2)
10:52		log rolled by black bear (fresh)	
11:40		Pileated Woodpecker holes	in tree between G and G' (Figure 2) 395899 E, 6015740 N
11:40		log rolled by black bear	385887 E, 6015299 N

APPENDIX I.

An Ecological Survey of Long Lake Provincial Park, 1973. R.D. and S. Schaafsma. Appendix 2. Annotated List of the Birds

An Ecological Survey of Long Lake Provincial Park
1973. R.D. & S. Schaafsma

APPENDIX 2: ANNOTATED LIST OF THE BIRDS

- Common Loon (Gavia immer) - One pair, probably nesting, seen on lake from time to time.
- Red-necked Grebe (Podiceps grisegena) - Commonly seen near lake shores, several nests were found in bulrushes and cattails.
- Horned Grebe (Podiceps auritus) - One pair, probably nesting, seen at south end of lake.
- Great Blue Heron (Ardea herodias) - Two individuals seen from time to time.
- Mallard (Anas platyrhynchos) - Commonly seen in shallows near the lake shore. Several nests were sighted, one as late as July 10.
- Blue-winged Teal (Anas discors) - Occasionally seen in shallows near the lake shore.
- American Wigeon (Anas americana) - Occasionally seen on lake.
- Lesser Scaup (Aythya affinis) - Small flocks commonly seen on lake.
- Common Goldeneye (Bucephala clangula) - Small flocks commonly seen in the spring, individuals occasionally seen on the lake throughout the summer.
- Barrow's Goldeneye (Bucephala islandica) - One pair seen on the lake near the southern park boundaries.
- Bufflehead (Bucephala albeola) - Occasionally seen on lake.

White-winged Scoter (Melanitta deglandi) - Seen occasionally in spring, but rarely sighted during the summer.

Broad-winged Hawk (Buteo platypterus) - Often seen near aspen poplar - sedge community ecotones.

add Merlin, Osprey

Eagle (species uncertain) - Sighted once near dusk.

Ruffed Grouse (Bonasa umbellus) - One male heard drumming during spring. Drumming location found and male was sighted on several occasions.

Coot (Fulica americana) - Occasionally seen in shallows along lake shore.

Common Snipe (Capella gallinago) - Sighted while male was performing his display flight.

Spotted Sandpiper (Actitis macularia) - Common along shorelines.

Lesser Yellowlegs (Tringa flavipes) - Common along shorelines.

Least Sandpiper (Calidris minutilla) - Common along shorelines.

Semipalmated Sandpiper (Calidris pusillus) - Common along shorelines.

American Avocet (Recurvirostra americana) - Three birds sighted on lake May 25. Unique sighting; the birds were out of their normal range and were not seen again.

Herring Gull (Larus argentatus) - Sighted on one occasion on May 25.

California Gull (Larus californicus) - Occasionally seen on lake.

Franklin's Gull (Larus pipixcan) - Occasionally seen on lake.

Bonaparte's Gull (Larus philadelphia) - Common on lake.

Black Tern (Chlidonias niger): Commonly seen feeding over lake.

Black-billed Cuckoo (Coccyzus erythrophthalmus) - Individual sighted on several occasions about one mile north of park. Possibly nesting.

Great Horned Owl (Bubo virginianus) - Sighted on several occasions in trees near lake shore.

Common Nighthawk (Chordeiles minor) - Occasionally seen flying at dusk. Female with two chicks seen July 10 in an open jackpine community.

Ruby-throated Hummingbird (Archilochus colubris) - Seen on one occasion in park maintenance area.

Belted Kingfisher (Megaceryle alcyon) - Occasionally seen in trees along lake shore.

Common Flicker (Colaptes auratus) - Sighted on a single occasion in an old balsam poplar.

Pileated Woodpecker (Dryocopus pileatus) - Occasionally seen in mature balsam poplar stands. Probably nesting.

Yellow-bellied Sapsucker (Sphyrapicus varius) - Sighted on several occasions in black spruce forests.

Hairy Woodpecker (Dendrocopos villosus) - Sighted on one occasion in a black spruce tree.

Downy Woodpecker (Dendrocopos pubescens) - Occasionally seen in aspen-balsam poplar forests.

Eastern Kingbird (Tyrannus tyrannus) - Common in open wooded areas.

Eastern Phoebe (Sayornis phoebe) - Occasionally seen in aspen-balsam poplar forests.

Traill's Flycatcher (Empidonax traillii) - Common in open black spruce bogs.

Western Wood Peewee (Contopus sordidulus) Common in black spruce bogs.

Tree Swallow (Iridoprocne bicolor) - Commonly sighted over lawn communities.

Rough-winged Swallow (Stelgidopteryx ruficollis) - Occasionally seen in lawn communities.

Barn Swallow (Hirundo rustica) - Common in picnic areas, nests found under eaves of cabins.

Gray Jay (Perisoreus canadensis) - Common in black spruce bogs.

Blue Jay (Cyanocitta cristata) - Occasionally seen in mixed poplar forests.

Black-billed Magpie (Pica pica) - Group of five individuals sighted on a single occasion.

Common Crow (Corvus brachyrhynchos) - Common around picnic and dumping grounds.

Black-capped Chickadee (Parus atricapillus) - Common throughout the park's wooded areas.

House Wren (Troglodytes aedon) - Sighted on several occasions near campsites.

Long-billed Marsh Wren (Telmatodytes palustris) - Several individuals in reeds at north end of lake.

- American Robin (Turdus migratorius) - Common in open forests.
- ✓ Hermit Thrush (Catharus guttata) - Rare in dry aspen poplar and jackpine communities.
- Swainson's Thrush (Catharus ustulata) - A single individual was seen in an aspen forest community.
- Veery (Catharus fuscus) - Common in aspen-balsam poplar forests.
- Cedar Waxwing (Bombycilla cedrorum) - Occasionally seen in trees at edge of clearings.
- Solitary Vireo (Vireo solitarius) - Seen on one occasion in an aspen-balsam poplar forest.
- Red-eyed Vireo (Vireo olivaceus) - Common in aspen-balsam poplar forests.
- Black-and-white Warbler (Mniotilta varia) - Occasional in willow communities.
- Tennessee Warbler (Vermivora peregrina) - Common in aspen-balsam poplar forests.
- Yellow Warbler (Dendroica petechia) - Common in willow thickets.
- Myrtle Warbler (Dendroica coronata) - Common in open woodlands.
- Chestnut-sided Warbler (Dendroica pensylvanica) - A single pair sighted in a willow thicket. This species is very rare in Alberta.
- Ovenbird (Seiurus aurocapillus) - Common in aspen-balsam poplar woodlands.
- Mourning Warbler (Oporornis philadelphia) - Occasionally seen in shrub understories of aspen forests.
- Wilson's Warbler (Wilsonia pusilla) - Occasionally seen in willow thickets.

- American Redstart (Setophaga ruticilla) - Occasionally seen in aspen-balsam woodland - willow thicket ecotones.
- Red-winged Blackbird (Agelaius phoeniceus) - Common in reeds and cattails along lake shores.
- Baltimore Oriole (Icterus galbula) - Common in open aspen forests.
- Brewers Blackbird (Euphagus cyanocephalus) - One pair seen nesting in planted spruce trees. July 10.
- Brown-headed Cowbird (Molothrus ater) - Abundant around picnic grounds. Eggs found in the nest of a hermit thrush.
- Rose-breasted Grosbeak (Pheucticus ludovicianus) - Common in forested areas throughout park.
- Pine Siskin (Spinus pinus) - Sighted in a black spruce bog in one occasion.
- American Goldfinch (Spinus tristis) - One individual sighted in a willow thicket.
- Dark-eyed Junco (Junco hyemalis) - Common in open areas.
- Chipping Sparrow (Spizella passerina) - Occasional in forested areas.
- Clay-colored Sparrow (Spizella pallida) - Common in open areas and along forested roadsides.
- White-throated Sparrow (Zonotrichia albicollis) - Common in forested areas.
- Song Sparrow (Melospiza melodia) - Occasionally seen in thickets along lake shores.

APPENDIX II.

Photos July 14, 2016



Fig.1 – Cattle grazing in gravel pits



Fig.2 – Pileated woodpecker holes in jack pine



Fig.3 – Potential bear den



Fig.4 – Open grasslands on NE-SW trending ridges



Fig. 5 – Wood frog in ground litter



Fig.6 – Open mixed wood forest

APPENDIX II. (CONT’)

Photos July 15, 2016



Fig.7 – Aspen/jack pine mixed wood southeast side of SML 120005



Fig.8 – Cleared pasture SML 120005



Fig.9 – Extensive wild onion in understory SML 120006



Fig.10 – White-tailed deer doe, edge of SML 120006



Fig.11 – Squirrel Midden



Fig.12 – Pileated woodpecker Activity in aspen

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix D.2

FWMIS Report

Fish and Wildlife Internet Mapping Tool (FWIMT)

(source database: Fish and Wildlife Management Information System (FWMIS))

Species Summary Report

Report Created: 17-Jun-2016 09:09

Species present within the current extent :

Fish Inventory

No Species Found in Search Extent

Wildlife Inventory

No Species Found in Search Extent

Stocked Inventory

No Species Found in Search Extent

Buffer Extent

Centroid (X,Y):
656473, 6014408

Projection
10-TM AEP Forest

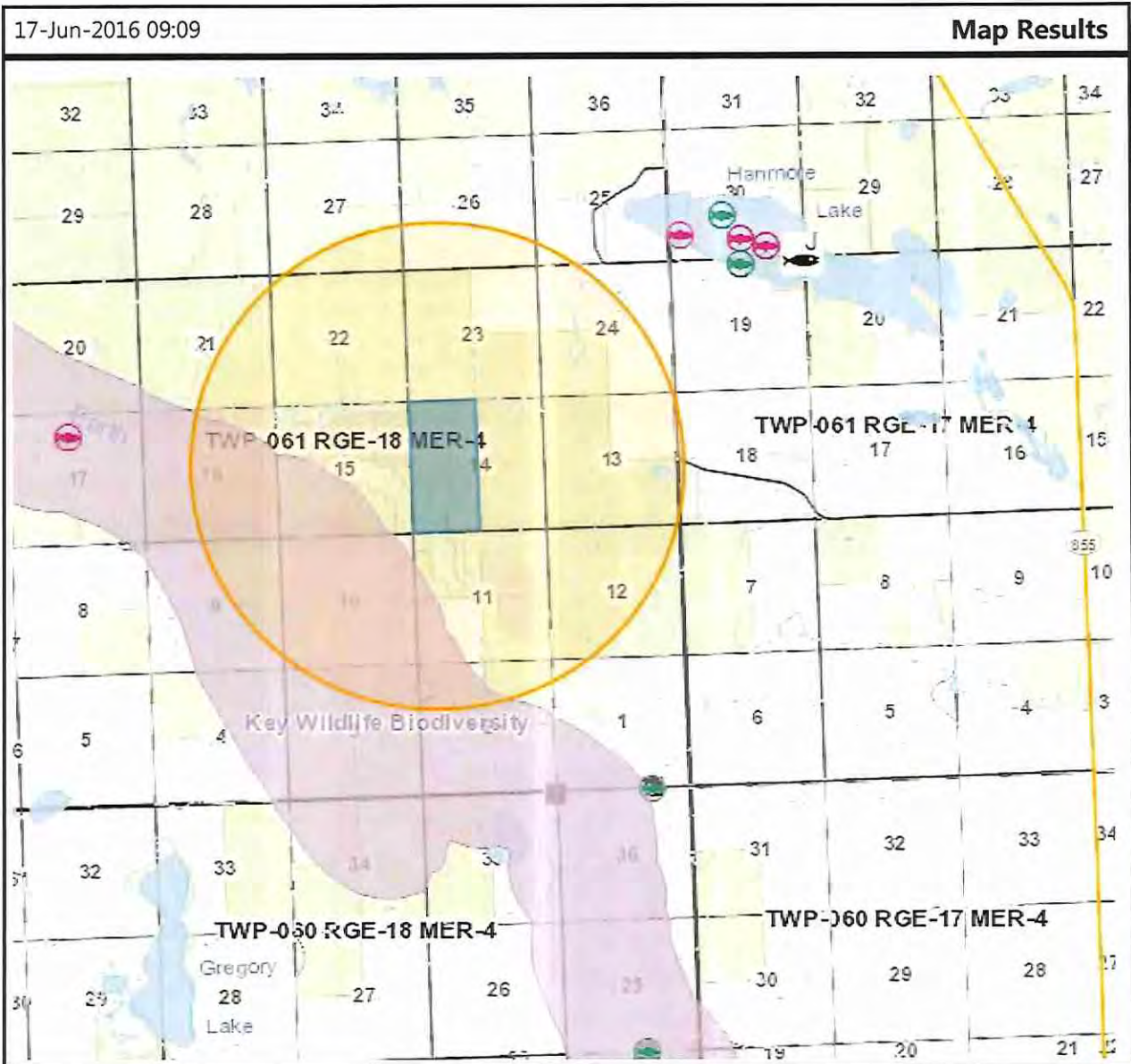
Centroid:
(Qtr Sec Twp Rng Mer)
NW 14 61 18 4

Buffer Radius:
3 kilometers

Contact Information

For contact information, please visit:

<http://aep.alberta.ca/about-us/contact-us/fisheries-wildlife-management-area-contacts.aspx>



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Fish and Wildlife Internet Mapping Tool (FWIMT)

(source database: Fish and Wildlife Management Information System (FWMIS))

Species Summary Report

Report Created: 21-Jun-2016 10:33

Species present within the current extent :

Fish Inventory

BROOK STICKLEBACK
LAKE CHUB
LAKE WHITEFISH
NORTHERN PIKE
SPOTTAIL SHINER
WHITE SUCKER
YELLOW PERCH

Wildlife Inventory

BOREAL TOAD
CANADA LYNX
COMMON YELLOWTHROAT
GREAT BLUE HERON
GREAT GRAY OWL
GREEN-WINGED TEAL
LEAST FLYCATCHER
LESSER SCAUP
SANDHILL CRANE
SEDGE WREN
SORA
WESTERN WOOD-PEWEE

Stocked Inventory

No Species Found in Search Extent

Buffer Extent

Centroid (X,Y):
656575, 6014386

Projection
10-TM AEP Forest

Centroid:
(Qtr Sec Twp Rng Mer)
SW 14 61 18 4

Buffer Radius:
5 kilometers

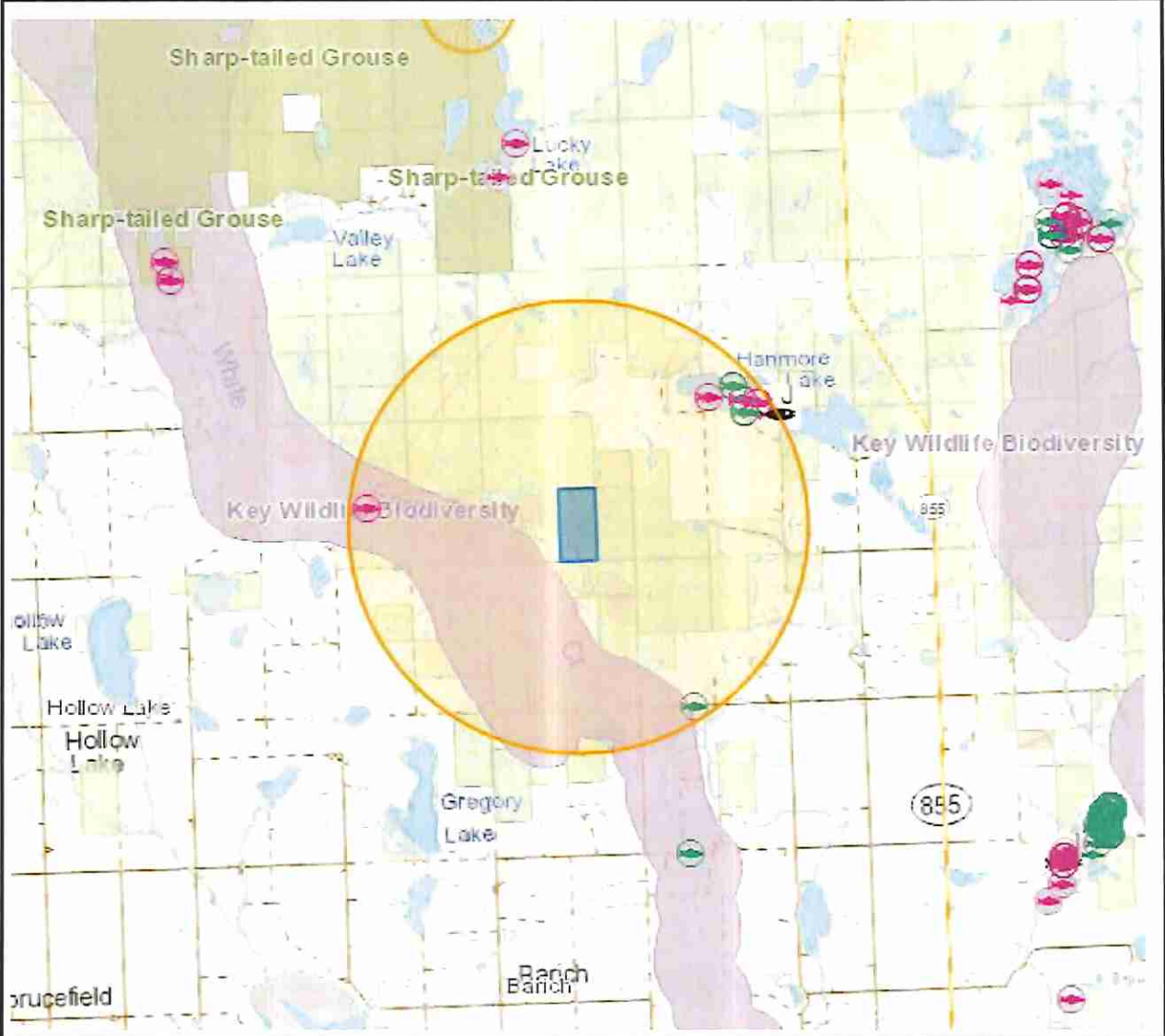
Contact Information

For contact information, please visit:

<http://aep.alberta.ca/about-us/contact-us/fisheries-wildlife-management-area-contacts.aspx>

21-Jun-2016 10:33

Map Results



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Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix D.3

AER Landscape Analysis Tool Report



Mineral Surface Lease (MSL)

Landscape Analysis Tool Report

00000411B4
Page 1 of 14

Time: 14:25 16 PM

LAT Number: 00000411B4

LAT Date: 2016-06-20

Project Name:

Project Description:

Disposition Type: Mineral Surface Lease (MSL)

Purpose Type: Wellsite-PNG Production (MW) (WELLPRODMW)

Responsibility of Applicants:

It is the applicant's responsibility to conduct a full review of the generated LAT Report, ensuring that you have a full understanding of the defined standards and conditions, and any limitations as may also be imposed by any other law or Order of the Province or the Government of Canada that may impact on the proposed use of the land.

The applicant must assess if the proposed activity can meet those standards, conditions and limitations which will subsequently determine if an EAP application will be submitted to the regulatory body as "Standard" or "Non-Standard". Applicants should complete a thorough review of EAP processes, IS&G documents and generated LAT Reports prior to making this determination.

- "Standard" EAP application submissions are those where the applicant chooses to meet all of the associated Approval Standards identified in the LAT Report submitted as part of the application and aligns those standards to the associated supplements and the application plan.
- "Non-Standard" EAP application submissions are those where the applicant chooses not to meet, or is not able to meet, one or more of the associated Approval Standards identified in the LAT Report submitted as part of the application, or the requirements of reservations as identified within the land status report. Non-Standard EAP application submissions require the inclusion of a completed Non-Standard Mitigation Supplement.

The information provided within the LAT Tool is a spatial representation of features provided for land use planning. The accuracy of these layers varies depending on the resource value being represented. Site visits, wildlife surveys and ground-truthing is required to ensure that you, the applicant will meet the applicable Pre-Application requirements, Approval Standards, Operating Conditions and Best Management Practices of the Integrated Standards and Guidelines.

Landscape Analysis Tool Report

Base Features	
Crown Ownership:	Provincial/Untitled
Green/White Area:	White Area
Municipality:	Smoky Lake County
Higher Level Plans:	
	FMU: LO1
	FMA:
	Provincial Grazing Reserve:
	Rocky Mountain Forest Reserve:
	PLUZ Areas:
Provincial Sanctuaries	
Wildlife Corridors:	Game Bird:
Restricted Area:	Seasonal:

Landscape Analysis Tool Report

Sensitive Features

Wildlife			
Burrowing Owl Range:	<input type="checkbox"/>	Other Sensitive and Endangered Species:	<input type="checkbox"/>
Caribou Range:	<input type="checkbox"/>	Piping Plover Waterbodies:	<input type="checkbox"/>
Colonial Nesting Birds:	<input type="checkbox"/>	Sensitive Amphibians Ranges:	<input type="checkbox"/>
Eastern Short-horned Lizard Range:	<input type="checkbox"/>	Sensitive Raptor Range:	<input type="checkbox"/>
Endangered and Threatened Plants Ranges:	<input type="checkbox"/>	Sensitive Snake Species Range:	<input type="checkbox"/>
Greater Sage Grouse Range:	<input type="checkbox"/>	Sharp-tailed Grouse Leks and Buffer:	<input type="checkbox"/>
Greater Sage Grouse Leks and Buffer:	<input type="checkbox"/>	Sharp-tailed Grouse Survey:	<input type="checkbox"/>
Grizzly Bear Zone:	<input type="checkbox"/>	Special Access Area:	<input type="checkbox"/>
Key Wildlife and Biodiversity Areas:	<input type="checkbox"/>	Swift Fox Range:	<input type="checkbox"/>
Mountain Goat and Sheep Areas:	<input type="checkbox"/>	Trumpeter Swan Waterbodies/Watercourse:	<input type="checkbox"/>
Ord's Kangaroo Rat Range:	<input type="checkbox"/>		

Water	
Proximity to Waterbody:	Industry will ensure that the Watercourse/Waterbodies standards and conditions as defined within the Integrated Standards and Guidelines are followed. To ensure these setbacks and buffers are addressed and maintained, it is recommended that a pre-site assessment occur.

Grassland and Parkland Natural Region:	
Grassland and/or Parkland Natural Region:	<input type="checkbox"/>

Federal Orders:	
Greater Sage Grouse:	<input type="checkbox"/>

Landscape Analysis Tool Report

<u>Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Meridian</u>	<u>Road Allow.</u>	<u>Sensitive Features by Quarter Section</u>
NE	14	61	18	4		
NW	14	61	18	4		
SE	14	61	18	4		
SW	14	61	18	4		

Landscape Analysis Tool Report



Legend

-  ATS Quarter Section
-  Perennial Stream
-  Indefinite Stream
-  Recurring Stream
-  Spillway
-  Aquaduct
-  Canal
-  Ditch
-  Perennial Oxbow
-  Recurring Oxbow
-  Canal
-  Dugout
-  Icefield
-  Islands
-  Lagoon
-  Perennial Lake
-  Recurring Lake
-  Perennial Oxbow
-  Recurring Oxbow
-  Quarry
-  Reservoir
-  River
-  Wetland



Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

APPENDIX E

- FNC Adequacy Assessment
- Historical Resources Act Clearance
- GRL Consent

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix E.1

FNC Adequacy Assessment

FNC ADEQUACY ASSESSMENT

FNC Number: Date of Submission:

Client Project Name:

Alberta Environment and Sustainable Resource Development has reviewed the consultation summary regarding the proposed projects provided by:

Based on our review, in accordance with *The Government of Alberta's First Nations Consultation Policy and Land Management and Resource Development - May 16, 2005 (the Policy)* and *Alberta's First Nations Consultation Guidelines on Resource Development and Land Management - November 14, 2007*, Alberta Environment and Sustainable Resource Development has determined an Adequacy Decision for each FNC Activity Number.

The proponent may proceed with disposition application for land activities deemed Adequate as identified within the following table.

Supporting Comments/Direction:

Be advised that this notice does not grant the client any authority to make application for any use of land not identified within this notification.

Reviewing Officer: Date of Review:

Should you have any questions, please contact the Reviewing Officer at:

Consultation contacts for each First Nation as identified below (name, mailing address, phone number) are available at <http://www.aboriginal.alberta.ca>

Personal information is collected in accordance with the Government of Alberta Aboriginal Consultation Policy and Section 33(c) of the Freedom of Information and Protection of Privacy Act. The personal information collected within this form will be used to administer the Aboriginal Consultation process. If you have any questions about the collection or use of this information, you can contact the Information Lead, Aboriginal Affairs Branch, Great West Life Building, Fourth Floor, 9920 - 108 Street, Edmonton, Alberta, Canada, T5K 2M4 at 780-644-8733.

FNC ADEQUACY ASSESSMENT

FNC Number:

Date of Submission:

Client Project Name:

Alberta Environment and Sustainable Resource Development has reviewed the consultation summary regarding the proposed projects provided by:

Based on our review, in accordance with *The Government of Alberta's First Nations Consultation Policy and Land Management and Resource Development - May 16, 2005 (the Policy)* and *Alberta's First Nations Consultation Guidelines on Resource Development and Land Management - November 14, 2007*, Alberta Environment and Sustainable Resource Development has determined an Adequacy Decision for each FNC Activity Number.

The proponent may proceed with disposition application for land activities deemed Adequate as identified within the following table.

Supporting Comments/Direction:

Be advised that this notice does not grant the client any authority to make application for any use of land not identified within this notification.

Reviewing Officer:

Date of Review:

Should you have any questions, please contact the Reviewing Officer at:

Consultation contacts for each First Nation as identified below (name, mailing address, phone number) are available at <http://www.aboriginal.alberta.ca>

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FNC - Adequacy Assessment

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
FNC201300557-001	SML	SAND AND GRAVEL Saddle Lake First Nation	10.53 HA Beaver Lake Cree Nation	Lac La Biche
	ATS Legal - From NW 14 61 18 4	ATS Legal - To NW 14 61 18 4	Whitfish (Goodfish) Lake First Nation	
		First Nation (s)		
			Action Required	Notification with Follow-up
			Adequacy	Adequate

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
	ATS Legal - From	ATS Legal - To		
		First Nation (s)		
			Action Required	
			Adequacy	

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
	ATS Legal - From	ATS Legal - To		
		First Nation (s)		
			Action Required	
			Adequacy	

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix E.2

Historical Resources Act Clearance



Application for *Historical Resources Act* Clearance

Activity Administration

Date Received: October 23, 2013

HRM File: 4650-13-0094

Purpose of Application: All New Lands Additional Lands No New Lands

Project Category: Aggregate Extraction (4650)

Project Type: Sand / Gravel Extraction Other
 Approximate Project Area (ha) 10.53 ha
 Other Reference Number SML120006

Project Identifier: SML120006 NW 14-61-18-W4M

Additional Identifier(s):

Key Contact: Mr. Vernon Torstensen	Affiliation: Tor Land Resource Inc.
Address: Suite 128, 11230-104 Ave NW	City / Province: Edmonton, AB
Postal Code: T5K 2X8	Phone: (780) 990-0012
E-mail: AggregateAB@torland.ca	Fax: (780) 990-0280
	Your File Number: SML120006

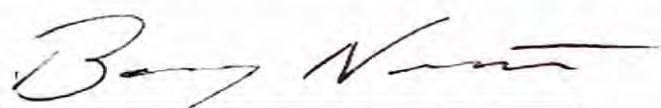
Is the Proponent the same as the Key Contact? Yes No If no, complete the following:

Proponent: Cathy Ball	Contact Name: Cathy Ball
Address: 133-53046 Range Road 222	City / Province: Ardrossan, AB
Postal Code: T8E 2E8	Phone: (780) 922-5337
E-mail: allb_mech@shaw.ca	Fax: (780) 922-5327

Proposed Development Area					Land Ownership			
MER	RGE	TWP	SEC	LSD List	FRH	SA	CU	CT
4	18	61	14	11,12	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Historical Resources Impact Assessment:			
<u>For archaeological resources:</u>			
Has a HRIA been conducted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Permit Number (if applicable):
<u>For palaeontological resource:</u>			
Has a HRIA been conducted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

Historical Resources Act clearance is granted subject to Section 31 of the Resources Act, "a person who discovers an historic resource in the course of making an excavation for a purpose other than for the purpose of seeking historic resources shall forthwith notify the minister of the discovery". The chance discovery of historical resources is to be reported to the contacts identified within the listing.



November 14, 2013
Date



Application for *Historical Resources Act* Clearance

Activity Administration

Date Received: October 23, 2013

HRM File: 4650-13-0095

Purpose of Application: All New Lands Additional Lands No New Lands

Project Category: Aggregate Extraction (4650)

Project Type:	<input checked="" type="checkbox"/> Sand / Gravel Extraction	ESRI Shapefiles are attached (yes/no)	NO
		Approximate Project Area (ha)	31.63 ha
		Other Reference Number	SML120005

Project Identifier: SML120005 W 1/2 14-61-18-W4M

Additional Identifier(s):

Key Contact: Mr. Vernon Torstensen	Affiliation: Tor Land Resource Inc.
Address: Suite 128, 11230-104 Ave NW	City / Province: Edmonton, AB
Postal Code: T5K 2X8	Phone: (780) 990-0012
E-mail: AggregateAB@torland.ca	Fax: (780) 990-0280
	Your File Number: SML120005

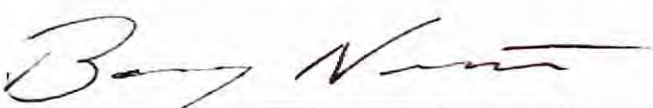
Is the Proponent the same as the Key Contact? Yes No If no, complete the following:

Proponent: Jordan Ball	Contact Name: Jordan Ball
Address: 133-53046 RANGE ROAD 222	City / Province: Ardrossan, AB
Postal Code: T8E 2E8	Phone: (780) 922-5337
E-mail: allb_mech@shaw.ca	Fax: (780) 922-5327

Proposed Development Area					Land Ownership			
MER	RGE	TWP	SEC	LSD List	FRH	SA	CU	CT
4	18	61	14	4,5,6,11,12	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Historical Resources Impact Assessment:		
<u>For archaeological resources:</u>		
Has a HRIA been conducted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Permit Number (if applicable):		
<u>For palaeontological resource:</u>		
Has a HRIA been conducted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Historical Resources Act clearance is granted subject to Section 31 of the Resources Act, "a person who discovers an historic resource in the course of making an excavation for a purpose other than for the purpose of seeking historic resources shall forthwith notify the minister of the discovery". The chance discovery of historical resources is to be reported to the contacts identified within the listing.


November 14, 2013
Date

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix E.3

GRL Consent

FNC - Adequacy Assessment

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
FNC201300671-001	SML	SAND AND GRAVEL	31.63 HA	Lac La Biche
	ATS Legal - From	Beaver Lake Cree Nation	Saddle Lake First Nation	Whitefish (Goodfish) Lake First Nation
	NW 14 61 18 4			
	ATS Legal - To			
	SW 14 61 18 4			
		First Nation (\$)		
			Notification with Follow-up	
			Action Required	
			Adequacy	Adequate

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
	ATS Legal - From			
	ATS Legal - To			
		First Nation (\$)		
			Action Required	
			Adequacy	

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
	ATS Legal - From			
	ATS Legal - To			
		First Nation (\$)		
			Action Required	
			Adequacy	

Kevin Wawrynychuk
Box 458
Smokey Lake, Alta.
T0A 3C0
780-656-2263

March 13, 2012

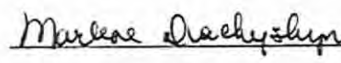
To Whom It May Concern: Alberta Sustainable Resource Development

Land Location: NE & NW 14-61-18-W4

Grant by GRL Lease Holder (GRL 40194)

The Grazing Lease Holder gives consent to remove
76.23 acres/ 30.85 hectares from GRL # 40194 for the sole purpose of
SML # 120006 for the sand and gravel extraction.


Kevin Wawrynychuk


Witness: MARLENE DIACHYSHYN

Date: MARCH 19, 2012

Date: MARCH 19, 2012

Note: The size of SML was subsequently was reduced later from 30.85 to 10.40 ha

Kevin Wawrynychuk
Box 458
Smokey Lake, Alta.
T0A 3C0
780-656-2263

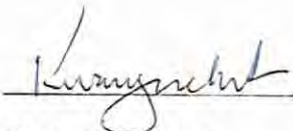
March 13, 2012

To Whom It May Concern: Alberta Sustainable Resource Development

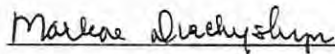
Land Location: NW & SW 14-61-18-W4

Grant by GRL Lease Holder (GRL 40194)

The Grazing Lease Holder gives consent to remove
 78.15 acres/ 31.63 hectares from GRL # 40194 for the sole purpose of
SML # 120005 for the sand and gravel extraction.



Kevin Wawrynychuk



Witness: MARLENE DIACHYSHYN

Date: MARCH 19, 2012

Date: MARCH 19, 2012

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

APPENDIX F

- DWG 1A: Existing Site/Planned Development with auger test holes
- DWG 1B: Existing Site/Planned Development with back-hoe test holes
- DWG 1C: Existing Site/Planned Development with airphoto
- DWG 2: Development Sequencing
- DWG 3A: Cross-section A-A' Profiles
- DWG 3B: Cross-section B-B' Profiles
- DWG 3C: Cross-section C-C' Profiles
- DWG 4: Planned Reclamation

**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

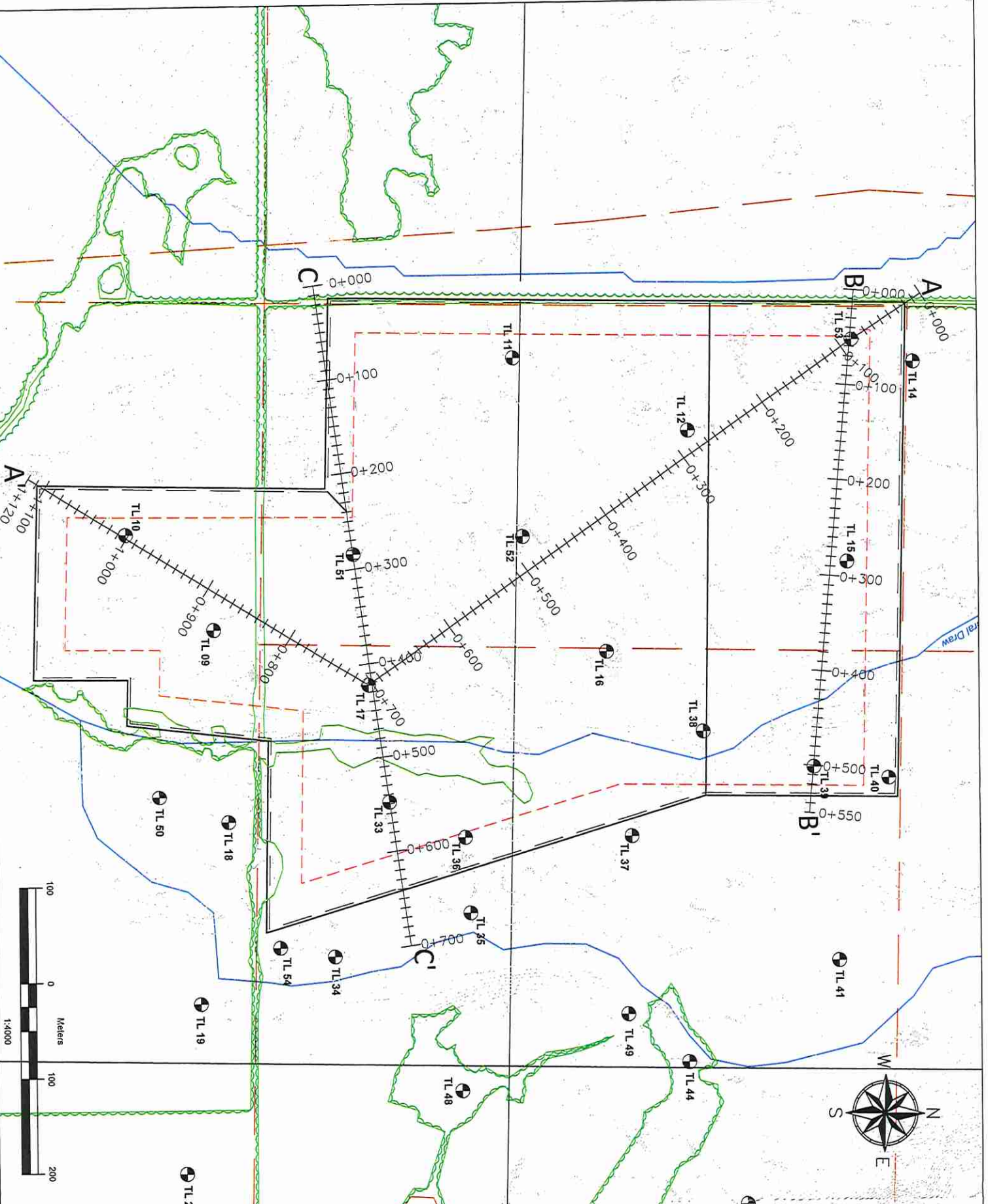
SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	RWY 14-051-18-W4M	10.40 ha (25.69 acres)	Cathy Ball
SML 120006	W14-051-18-W4M	31.51 ha (78.11 acres)	Jordan Ball

DWG 1A

- DRAWINGS**
- DWG 1A : Existing Site/Planned Development (Auger Test Holes)
 - DWG 1B : Existing Site/Planned Development (Back-hoe Test Holes)
 - DWG 1C : Existing Site/Planned Development (Airport)
 - DWG 2 : Development Sequencing
 - DWG 3A - 3C : Cross-section Profiles A-A', B-B', C-C'
 - DWG 4 : Planned Reclamation

Legend

- SML boundary
- Quarter section boundary
- Elevation contours (1m intervals)
- LIDAR (Nov. 2009)
- Cutlines and trails
- Dispositions
- Surface water features
- Setback to create slopes (avg. 28 m)
- 3 m undisturbed buffer
- Auger Test Holes (see DWG 1A)
- Back-hoe Test Holes (see DWG 1B)
- Treed area



Plan Design/Prepared by: TOR Land Resources Inc.
 Suite 128, 11230 - 104 Ave
 Edmonton, AB T5K 2X8
 Tel: (780) 990 - 0012
 Mob: (780) 914 - 9531
 Fax: (780) 990 - 0280

Drawn By: Shawn Palichuk
 Date: December, 2013

Revision No.	Revised By:	Date
1	Jameen Ogiroza	07/22/2016

J. Ball and C. Ball [SML 120005 & SML 120006] - CRBP Update and S/R Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sept. 20, 2016)

**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

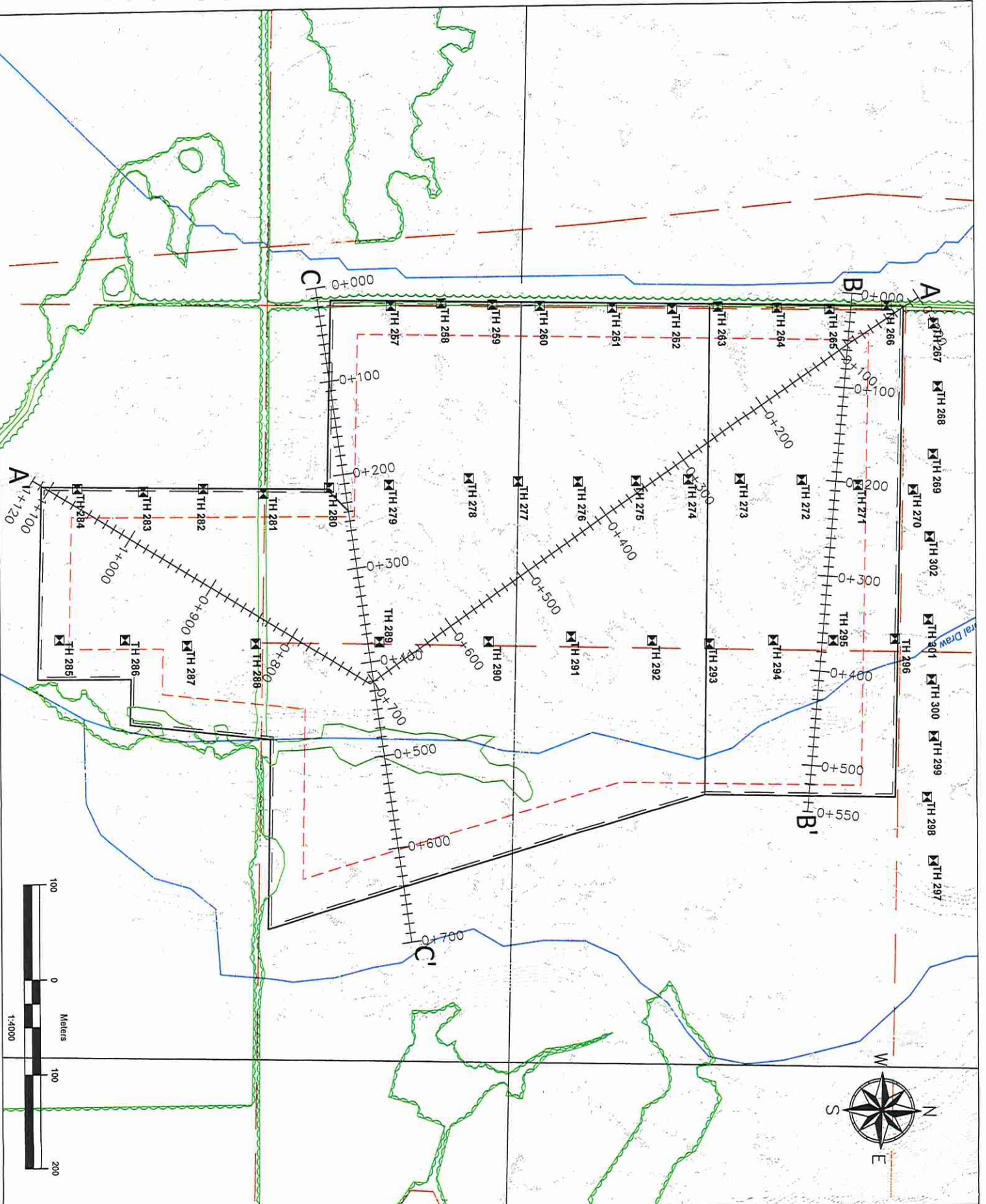
SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NV 14-051-18-W4M	10,401 ha (25.69 acres)	Cathy Bai
SML 120006	W 14-051-18-W4M	31.61 ha (78.11 acres)	Jordan Bai

DWG 1B

- DRAWINGS**
- DWG 1A: Existing Site/Planned Development (Auger Test Holes)
 - DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 - DWG 1C: Existing Site/Planned Development (Apron/hoe)
 - DWG 2: Development Sequencing
 - DWG 3A - 3C: Cross-section Profiles A-A', B-B', C-C'
 - DWG 4: Planned Reclamation

Legend

- SML boundary
- Quarter section boundary
- Elevation contours (1m intervals)
- LIDAR (Nov. 2009)
- Cullines and trails
- Dispositions
- Surface water features
- Setback to create slopes (avg. 28 m)
- 3 m undisturbed buffer
- Auger Test Holes (see DWG 1A)
- Back-hoe Test Holes (see DWG 1B)
- Treed area



Plan Design/Prepared by: **TOR Land Resources Inc.**
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 Edmonton, AB T5K 2X8
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 Mob: (780) 914-9531
 Fax: (780) 990-0280

Drawn By: Shawn Pallchuk
 Date: December, 2013

Revision No.	Revised By:	Date
1	Janeen Ogloza	07/22/2016

**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	HW 14-061-18-W4M	10.40 ha (25.69 acres)	Cathy Ball
SML 120006	W 14-061-18-W4M	3.61 ha (78.11 acres)	Jordan Ball

DWG 1C

- DRAWINGS**
- DWG 1A : Existing Site/Planned Development (Auger Test Holes)
 - DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 - DWG 1C: Existing Site/Planned Development (Aupihou)
 - DWG 2: Development Sequencing
 - DWG 3A - 3C: Cross-section Profiles A-A', B-B', C-C'
 - DWG 4: Planned Reclamation

Legend

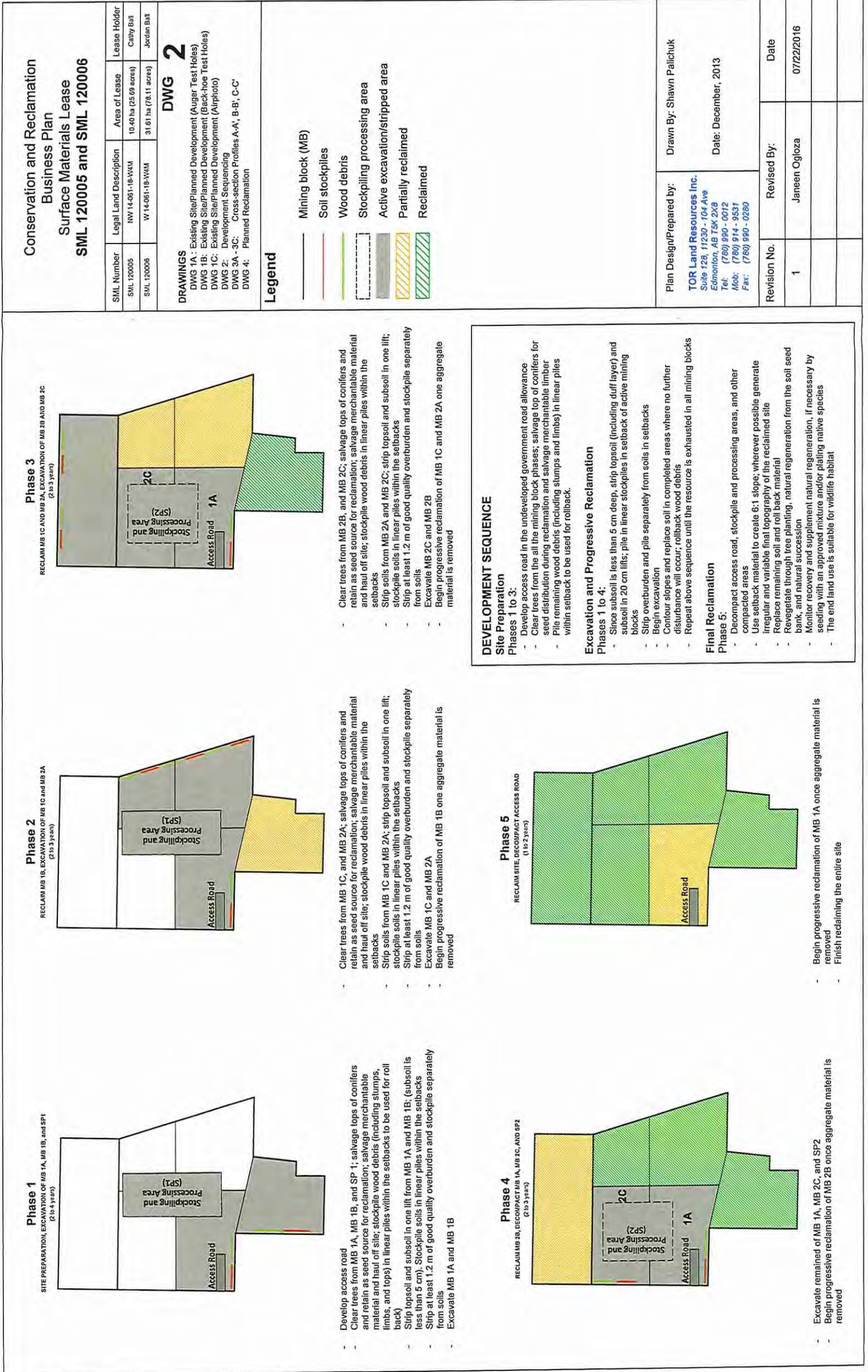
- SML boundary
- Quarter section boundary
- Elevation contours (1m intervals)
- LIDAR (Nov. 2009)
- Cullines and trails
- Dispositions
- Surface water features
- Setback to create slopes (avg. 28 m)
- 3 m undisturbed buffer
- TL 00
Auger Test Holes (see DWG 1A)
- TL 48
Back-hoe Test Holes (see DWG 1B)
- Treed area



Plan Design/Prepared by: **TOR Land Resources Inc.**
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Drawn By: Shawn Palichuk
 Date: December, 2013

Revision No.	Revised By:	Date
1	Janeen Ogoza	07/22/2016



Conservation and Reclamation Business Plan
Surface Materials Lease
SML 120005 and SML 120006

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NW 14-051-18-W4M	10.40 ha (25.69 acres)	Cathy Ball
SML 120006	W 14-051-18-W4M	31.61 ha (78.11 acres)	Jordan Ball

DWG 2

- DRAWINGS**
- DWG 1A: Existing Site/Planned Development (Auger Test Holes)
 - DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 - DWG 1C: Existing Site/Planned Development (Airphoto)
 - DWG 2: Development Sequencing
 - DWG 3A-3C: Cross-section Profiles A-A', B-B', C-C'
 - DWG 4: Planned Reclamation

Legend

- Mining block (MB)
- Soil stockpiles
- Wood debris
- Stockpiling processing area
- Active excavation/stripped area
- Partially reclaimed
- Reclaimed

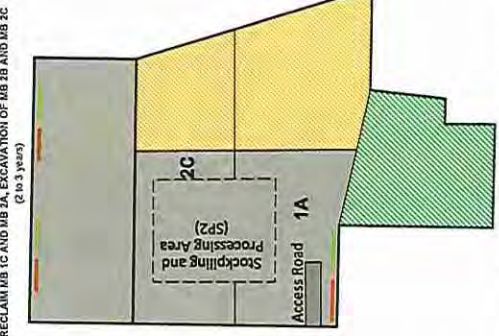
Plan Design/Prepared by:
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Drawn By: Shawn Palchuk

Date: December, 2013

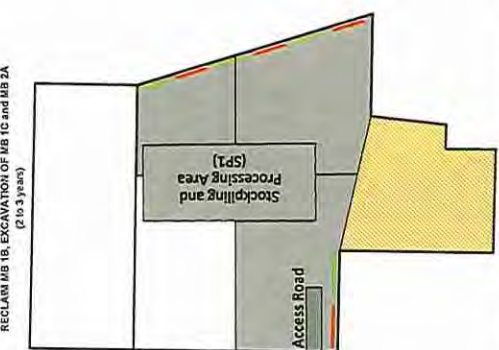
Revision No.	Revised By:	Date
1	Janeen Ogloza	07/22/2016

Phase 3



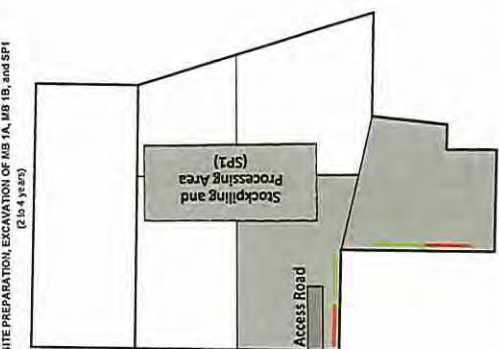
- Clear trees from MB 2B, and MB 2C; salvage tops of conifers and retain as seed source for reclamation; salvage merchantable material and haul off site; stockpile wood debris in linear piles within the setbacks
- Strip soils from MB 2A and MB 2C; strip topsoil and subsoil in one lift; stockpile soils in linear piles within the setbacks
- Strip at least 1.2 m of good quality overburden and stockpile separately from soils
- Excavate MB 2C and MB 2B
- Begin progressive reclamation of MB 1C and MB 2A once aggregate material is removed

Phase 2



- Clear trees from MB 1C, and MB 2A; salvage tops of conifers and retain as seed source for reclamation; salvage merchantable material and haul off site; stockpile wood debris in linear piles within the setbacks
- Strip soils from MB 1C and MB 2A; strip topsoil and subsoil in one lift; stockpile soils in linear piles within the setbacks
- Strip at least 1.2 m of good quality overburden and stockpile separately from soils
- Excavate MB 1C and MB 2A
- Begin progressive reclamation of MB 1B once aggregate material is removed

Phase 1

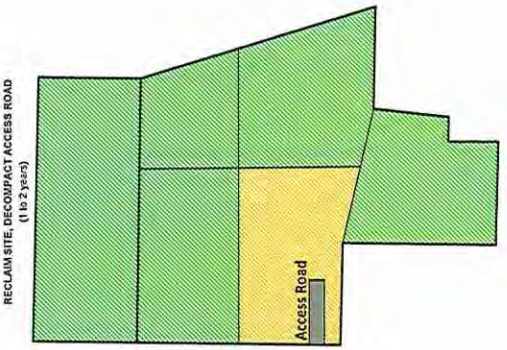


- Develop access road
- Clear trees from MB 1A, MB 1B, and SP 1; salvage tops of conifers and retain as seed source for reclamation; salvage merchantable material and haul off site; stockpile wood debris (including stumps, limbs, and tops) in linear piles within the setbacks to be used for roll back
- Strip topsoil and subsoil in one lift from MB 1A and MB 1B; (subsoil is less than 5 cm). Stockpile soils in linear piles within the setbacks
- Strip at least 1.2 m of good quality overburden and stockpile separately from soils
- Excavate MB 1A and MB 1B

DEVELOPMENT SEQUENCE

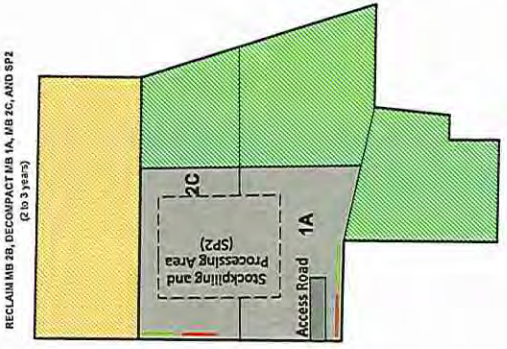
- Site Preparation**
- Phases 1 to 3:
- Develop access road in the undeveloped government road allowance
 - Clear trees from all the mining block phases; salvage top of conifers for seed distribution during reclamation and salvage merchantable timber
 - Pile remaining wood debris (including stumps and limbs) in linear piles within setback to be used for rollback.
- Excavation and Progressive Reclamation**
- Phases 1 to 4:
- Since subsoil is less than 5 cm deep, strip topsoil (including duff layer) and subsoil in 20 cm lifts; pile in linear stockpiles in setback of active mining blocks
 - Strip overburden and pile separately from soils in setbacks
 - Begin excavation
 - Contour slopes and replace soil in completed areas where no further disturbance will occur; rollback wood debris
 - Repeat above sequence until the resource is exhausted in all mining blocks
- Final Reclamation**
- Phase 5:
- Decompact access road, stockpile and processing areas, and other compacted areas
 - Use setback material to create 6:1 slope; wherever possible generate irregular and variable final topography of the reclaimed site
 - Replace remaining soil and roll back material
 - Revegetate through tree planting, natural regeneration from the soil seed bank, and natural succession
 - Monitor recovery and supplement natural regeneration, if necessary by seeding with an approved mixture and/or planting native species
 - The end land use is suitable for wildlife habitat

Phase 5



- Begin progressive reclamation of MB 1A once aggregate material is removed
- Finish reclaiming the entire site

Phase 4



- Excavate remained of MB 1A, MB 2C, and SP2
- Begin progressive reclamation of MB 2B once aggregate material is removed

**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NW 14-061-18-W4M	10.40 ha (25.69 acres)	Cathy Ball
SML 120006	W 14-061-18-W4M	31.61 ha (78.11 acres)	Jordan Ball

DWG 3A
DRAWINGS
 DWG 1A: Existing Site/Planned Development (Auger Test Holes)
 DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 DWG 1C: Existing Site/Planned Development (Airphoto)
 DWG 2: Development Sequencing
 DWG 3A-3C: Cross-section Profiles A-A', B-B', C-C'
 DWG 4: Planned Reclamation

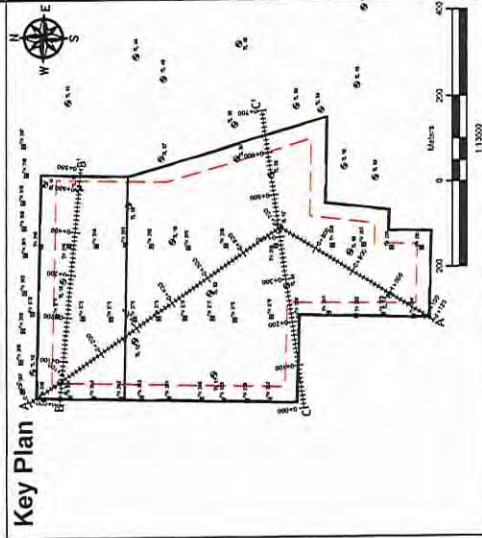
Plan Design/Prepared by:
TOR Land Resources Inc.
 Suite 128, 11230 - 104 Ave
 Edmonton, AB T5K 2X8
 Tel: (780) 990 - 0012
 Mob: (780) 914 - 9531
 Fax: (780) 990 - 0280

Drawn By: Shawn Palichuk
 Date: December, 2013

Revision No.	Revised By:	Date
1	Janeen Ogloza	07/22/2016

Legend

- Un disturbed land surface
- Original land surface
- Replaced topsoil
- Material layers
- Reclamation material
- Topsoil
- Overburden
- Clay
- Gravel
- Sand
- Replaced seaback material
- Test holes



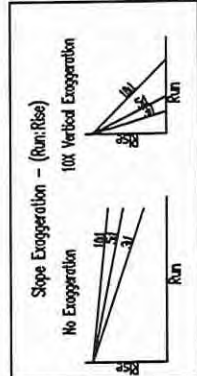
Existing Stratigraphy

Topsoil: 0.10 - 0.15 m (sand)
 Subsoil: 0 - 0.5 m
 Overburden: 0 - 3.6 m (avg 1.5 m) has discontinuous sand bodies
 Gravel: 0.6 - 12.8 m (avg 6.6 m) lenses and layers of sand ranging from 0.6 - 5.4 m thickness (avg 2.7 m) may occur between mineable gravel units.
 Bedrock: clay below



Reclaimed Stratigraphy

Topsoil/Subsoil: 0.15 - 0.18 m
 Replaced Overburden: 1.5 m has discontinuous sand bodies
 Gravel or Sand: presence and thickness of these materials varies across the site.
 Bedrock: clay below



Existing Site

Reclaimed

Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NW 14-061-18-W4M	10.40 ha (25.69 acres)	Cathy Ball
SML 120006	W 14-061-18-W4M	31.61 ha (78.11 acres)	Jordan Ball

DWG 3B
DRAWINGS
 DWG 1A: Existing Site/Planned Development (Auger Test Holes)
 DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 DWG 1C: Existing Site/Planned Development (Alphalo)
 DWG 2: Development Sequencing
 DWG 3A-3C: Cross-section Profiles A-A', B-B', C-C'
 DWG 4: Planned Reclamation

Plan Design/Prepared by:
TOR Land Resources Inc.
 Suite 128, 11230 - 104 Ave
 Edmonton, AB T5K 2X8
 Tel: (780) 990-0012
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 Fax: (780) 990-0280

Date: December, 2013

Drawn By: Shawn Paichuk

Revision No. 1

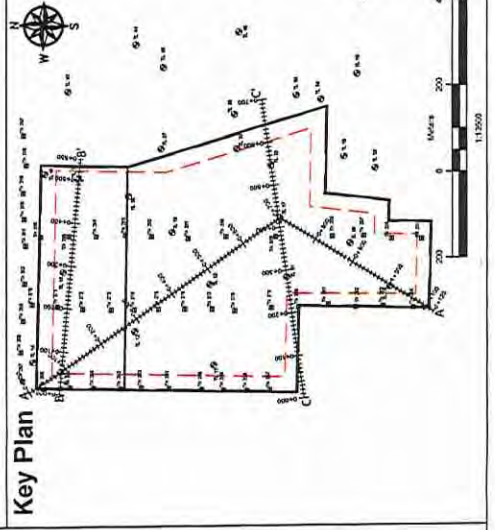
Revised By: Janeen Ogloza

Date: 07/22/2016

Legend

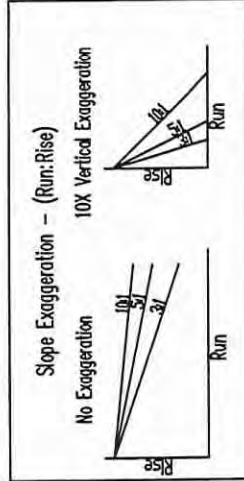
- Undisturbed land surface
- Original land surface
- Replaced topsoil
- Material layers
- Topsoil
- Overburden
- Clay
- Gravel
- Sand
- Reclamation material
- Replaced setback material
- Test holes

Key Plan



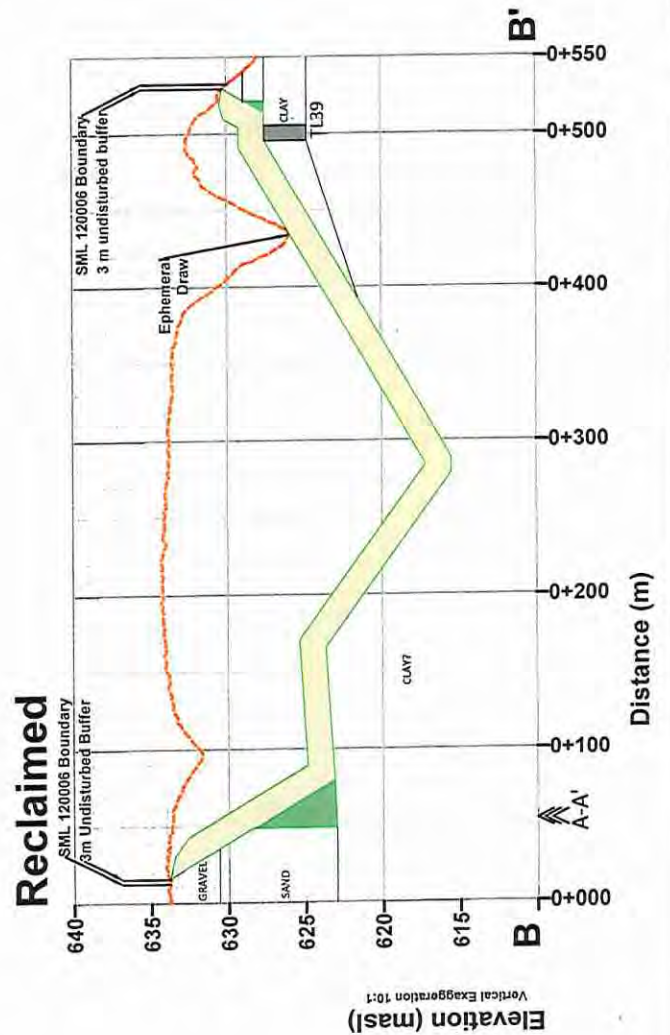
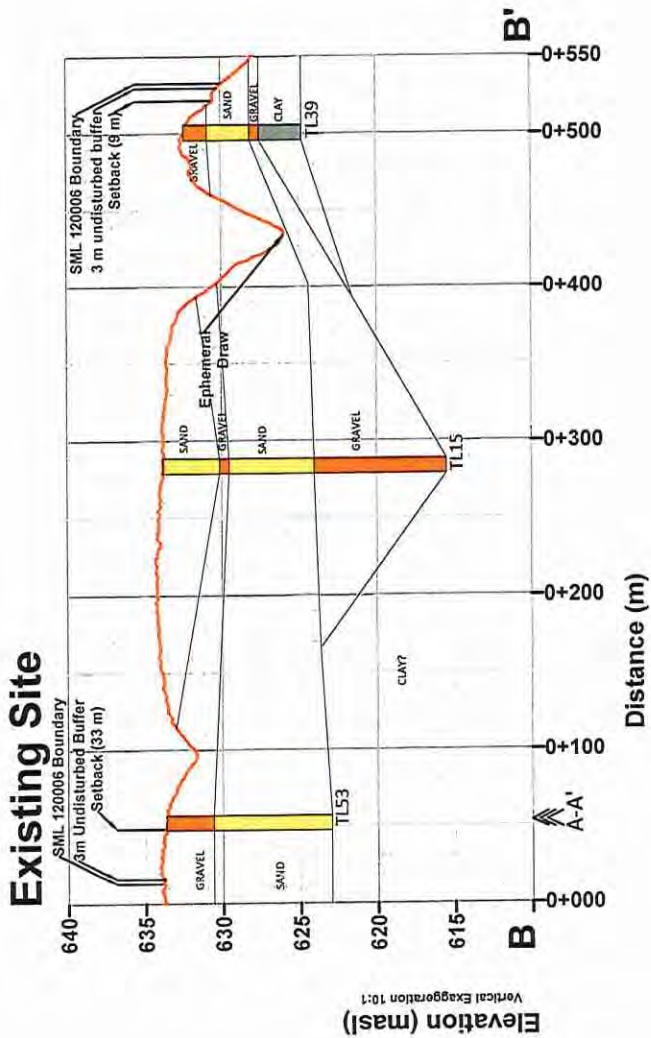
Existing Stratigraphy

Topsoil: 0.10 - 0.15 m (sand)
 Subsoil: 0 - 0.5 m
 Overburden: 0 - 3.6 m (avg 1.5 m) has discontinuous sand bodies
 Gravel: 0.6 - 12.8 m (avg 6.6 m) lenses and layers of sand ranging from 0.6 - 5.4 m thickness (avg 2.7 m) may occur between mineable gravel units.
 Bedrock: clay below



Reclaimed Stratigraphy

Topsoil/Subsoil: 0.15 - 0.18 m
 Replaced Overburden: 1.5 m has discontinuous sand bodies
 Gravel or Sand: presence and thickness of these materials varies across the site.
 Bedrock: clay below



**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NW 14-061-18-1W4M	10.40 ha (25.89 acres)	Cathy Ball
SML 120006	W 14-061-18-1W4M	31.81 ha (78.11 acres)	Jordan Ball

DWG 3C

DRAWINGS
 DWG 1A: Existing Site/Planned Development (Auger Test Holes)
 DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 DWG 1C: Existing Site/Planned Development (Airphoto)
 DWG 2: Development Sequencing
 DWG 3A - 3C: Cross-section Profiles A-A', B-B', C-C'
 DWG 4: Planned Reclamation

Plan Design/Prepared by:
TOR Land Resources Inc.
 Suite 128, 11230 - 104 Ave
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 Mob: (780) 914 - 9531
 Fax: (780) 990 - 0280

Drawn By: Shawn Paichuk
 Date: December, 2013

Revision No. 1
Revised By: Janeen Ogloza
Date: 07/22/2016

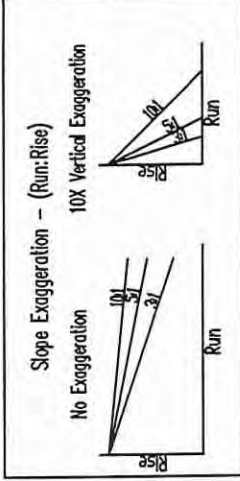
Legend

- Undisturbed land surface
- Original land surface
- Replaced topsoil
- Material layers
- Topsoil
- Overburden
- Clay
- Gravel
- Sand
- Reclamation material
- Replaced setback material
- Test holes

Key Plan

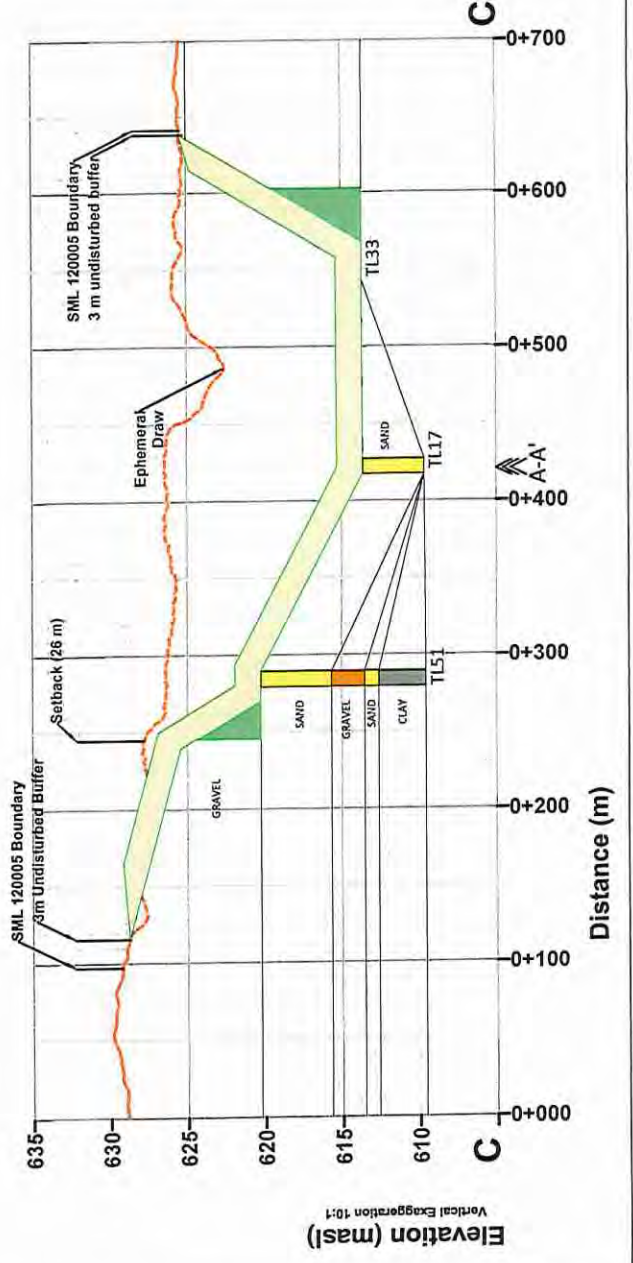
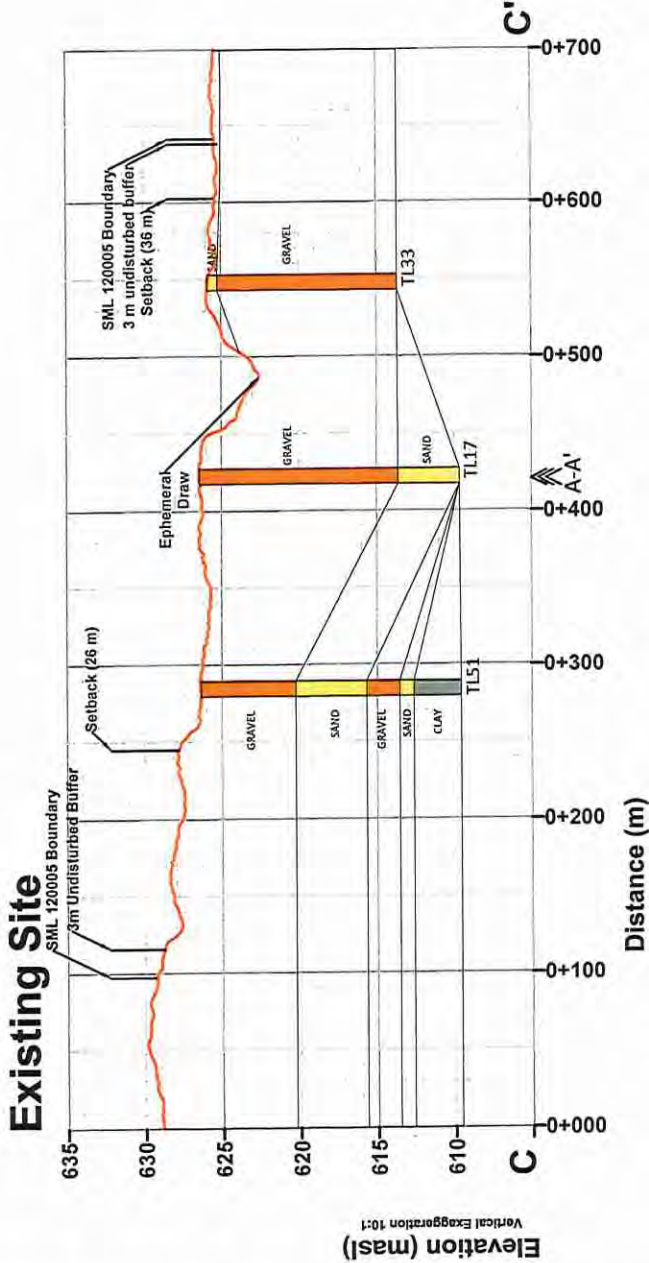
Existing Stratigraphy

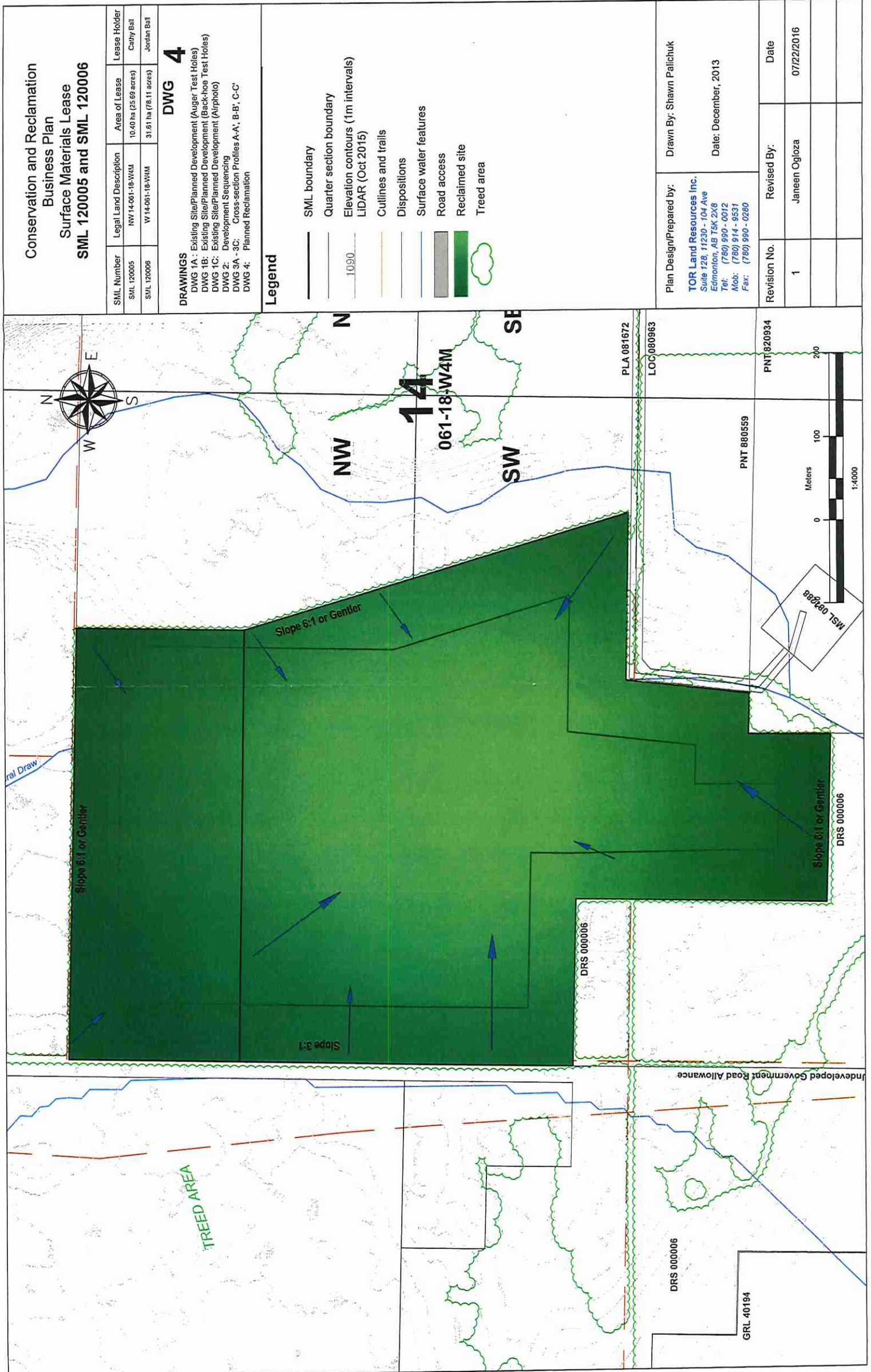
Topsoil: 0.10 - 0.15 m (sand)
Subsoil: 0 - 0.5 m
Overburden: 0 - 3.6 m (avg 1.5 m) has discontinuous sand bodies
Gravel: 0.6 - 12.8 m (avg 6.6 m) lenses and layers of sand ranging from 0.6 - 5.4 m thickness (avg 2.7 m) may occur between mineable gravel units.
Bedrock: clay below



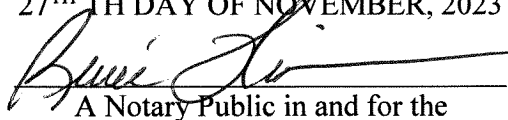
Reclaimed Stratigraphy

Topsoil/Subsoil: 0.15 - 0.18 m
Replaced Overburden: 1.5 m has discontinuous sand bodies
Gravel or Sand: presence and thickness of these materials varies across the site.
Bedrock: clay below





THIS IS EXHIBIT "OO" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING RSA 2000, c. E-12

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-15

Mantle Materials Group, Ltd., previously JMB Crushing Systems Inc.
P.O. Box 6977
Bonnyville, AB T9N 2H4

Byron Levkulich, Director
JMB Crushing Systems Inc. and Mantle Materials Group, Ltd.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc. and Mantle Materials Group, Ltd.
1400 16th Street, Suite 320
Denver CO 80202
United States

(Collectively hereafter referred to as the “Parties”)

WHEREAS JMB Crushing Systems Inc. (“JMB”) has operated a gravel pit (the “Pit”) on a portion of public land legally described as NW-15-, SE-15- and SW-15-061-18-W4M (the “Lands”) in the County of Smoky Lake, in the Province of Alberta;

WHEREAS on May 1, 2021, as part of the restructuring of JMB and 2161889 Alberta Ltd. (“216”) under the *Companies Creditors Arrangement Act*, JMB, 216 and Mantle Materials Group, Ltd. amalgamated and continued as Mantle Materials Group Ltd. (“Mantle”);

WHEREAS Byron Levkulich and Aaron Patsch are former Directors of JMB and 216, and are current Directors of Mantle;

WHEREAS the Pit is approximately 8.92 Hectares in area. Appendix “A” to this Order contains a map showing the dimensions, location, and features of the Pit;

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

WHEREAS a “lease” is defined in the *Public Lands Administrative Regulations* (the “Regulation”) to mean a surface material lease;

- 2 -

WHEREAS the Lands are contained in surface material lease 110047 (“SML 110047”) that is a disposition that was originally issued to Glenn Ball under the *Public Lands Act* on March 18, 2015. SML 110047 expires on March 17, 2025.

WHEREAS on May 2, 2019, SML 110047 was assigned from Glenn Ball to 2161889 Alberta Ltd.;

WHEREAS Mantle is the current holder of SML 110047, as a result of the amalgamation of JMB, 216, and Mantle, in accordance with the *Regulation* for the Lands for the purpose of removing material by surface excavation;

WHEREAS “surface material” is defined in the *Regulation* to mean clay, marl, sand, gravel, topsoil, silt and peat;

WHEREAS on March 18, 2015, Alberta Environment and Protected Areas (“AEPA”) approved the Conservation and Reclamation Business Plan (the “CORP”) for SML 110047 (See Appendix B);

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

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

WHEREAS Clause 13 of SML 110047 Agreement requires the operator to reclaim the surface of the land in a manner satisfactory to the Department;

WHEREAS Clause 19 of the Schedule A – Operating Conditions to SML 110047 states that the operator is to reclaim all disturbed land surfaces within two growing seasons. Interim reclamation, including site and debris clean-up, slope stabilization, recontouring with subsoil, and spreading of topsoil shall be done progressively and concurrently with operations “(Operating Condition)”;

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

WHEREAS on July 14, 2023, Mantle commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*;

WHEREAS on September 8, 2023, Alberta Forestry and Parks (“FP”) advised Mantle that:

- the approval is subject to cancellation or withdrawal of portions of land if development and production are not in accordance with the approved CORP and Addendum;
- that to date the site has only been partially excavated and does not follow the sequencing plan outlined in the CORP dated March 18, 2015; and
- the 2022 Annual Operating report states there are no areas where material has been extracted.

- 3 -

FP also asked Mantle if they intend to excavate mineable material from the pit before the end of this operating season;

WHEREAS on September 15, 2023, Mantle responded to FP that it was “looking to transfer the pit registration”. Mantle did not respond to FP’s direct questions about completing reclamation at the Pit or applying for a reclamation certificate. Further, Mantle was silent on any interim reclamation that had been completed at the Pit;

WHEREAS on September 19, 2023, FP requested assistance from AEPA to enforce outstanding reclamation obligations on five pits on public land for which Mantle is the disposition holder including the Pit;

WHEREAS on September 22, 2023, AEPA conducted a site inspection of SML 110047 and observed the following:

- the north half of the lease was not disturbed except for seismic lines predating the lease;
- the south half of the lease was disturbed for pit operations;
- a slash pile located at north end of the disturbed area;
- a stockpile of topsoil was located at north end of the disturbed area, adjacent to the slash pile;
- regrowth of vegetation in the various areas of the disturbed area;
- large built-up stockpile/operating area to 7 m height observed at south end of the Pit;
- swallow nests observe in face of low bank of undisturbed material northwest of the large stockpile;

WHEREAS Heather Dent, Compliance Manager, Regulatory Assurance Division, Boreal East District (the “Inspector”) has been designated as an Inspector for the purposes of issuing Environmental Protection Orders under section 140 of the Act;

WHEREAS the Inspector is of the opinion that Mantle’s financial resources, lack of interim reclamation or any stated intention related to its regulatory obligation to reclaim and conserve the Pit warrants enforcement of its obligations given that Mantle is the successor corporation of JMB and 216 that were restructured in 2021 and more recently in 2023, Mantle commenced restructuring proceedings; and

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

THEREFORE, I Heather Dent, Inspector, pursuant to section 140 of the Act, DO HEREBY ORDER:

1. Mantle shall complete the following actions at the Lands on or before **November 24, 2023**:
 - a. place overburden materials within the Pit to a minimum thickness of 1.5 m and create the base for the subsoil and topsoil placement by contouring the Pit with reject material and other soil materials available for reclamation;

- 4 -

- b. establish grade and contour across the Pit so that:
 - i. internal slopes are 6:1 or gentler as described in Section 10.0 Planned Reclamation of the CORP,
 - ii. a setback of 13 m along the boundaries as described in Section 8.1 Buffers and Setbacks of the CORP (see Appendix B), is maintained;
 - iii. surface water drainage is to be directed to drain as shown in CORP (see Appendix B), Drawings – Dwg. No. 6;
 - c. rip the subsoil in the Pit to alleviate compaction;
 - d. plan a varying depth of 20 – 54 cm of topsoil over the Pit;
 - e. place an average depth of 14 cm of topsoil over Pit; and
 - f. roll back woody debris located on the surface of the Pit to provide surface roughness and a variety of microsites for plant establishment.
2. Mantle shall complete the following actions on or before **November 24, 2023**:
- revegetate the Pit with transplanting or spreading native seeds, including but not limited to seeds salvaged from the tops of conifer trees harvested from the site during site development, in accordance with the most recent CORP.
3. Mantle shall complete the following actions on or before **November 24, 2023**:
- a. Monitor the Pit and take all necessary steps to:
 - i. prevent erosion on all slopes of the Pit,
 - ii. control weeds in accordance with *Weed Control Act*,
 - iii. ensure the revegetation required by clause 2 has established and is of acceptable density, height, and/or yield. Where needed, supplement revegetation by seeding with an approved mixture and/or planting native species to achieve effective revegetation of the Lands.
4. Mantle must apply for a reclamation certificate as per Section 134 of the *Act* by **January 1, 2025**.

Mantle shall submit progress updates to the Inspector on **December 20, 2023**, **June 30, 2024**, and **January 1, 2025**, that include a detailed summary of all the reclamation activities including monitoring required in clause 1 to 3 inclusive in this order undertaken at the Pit.

- 5 -

DATED at the City of Edmonton in the Province of Alberta, this 18 day of October 2023.

Heather Dent, Inspector
Regulatory Assurance Division-North

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

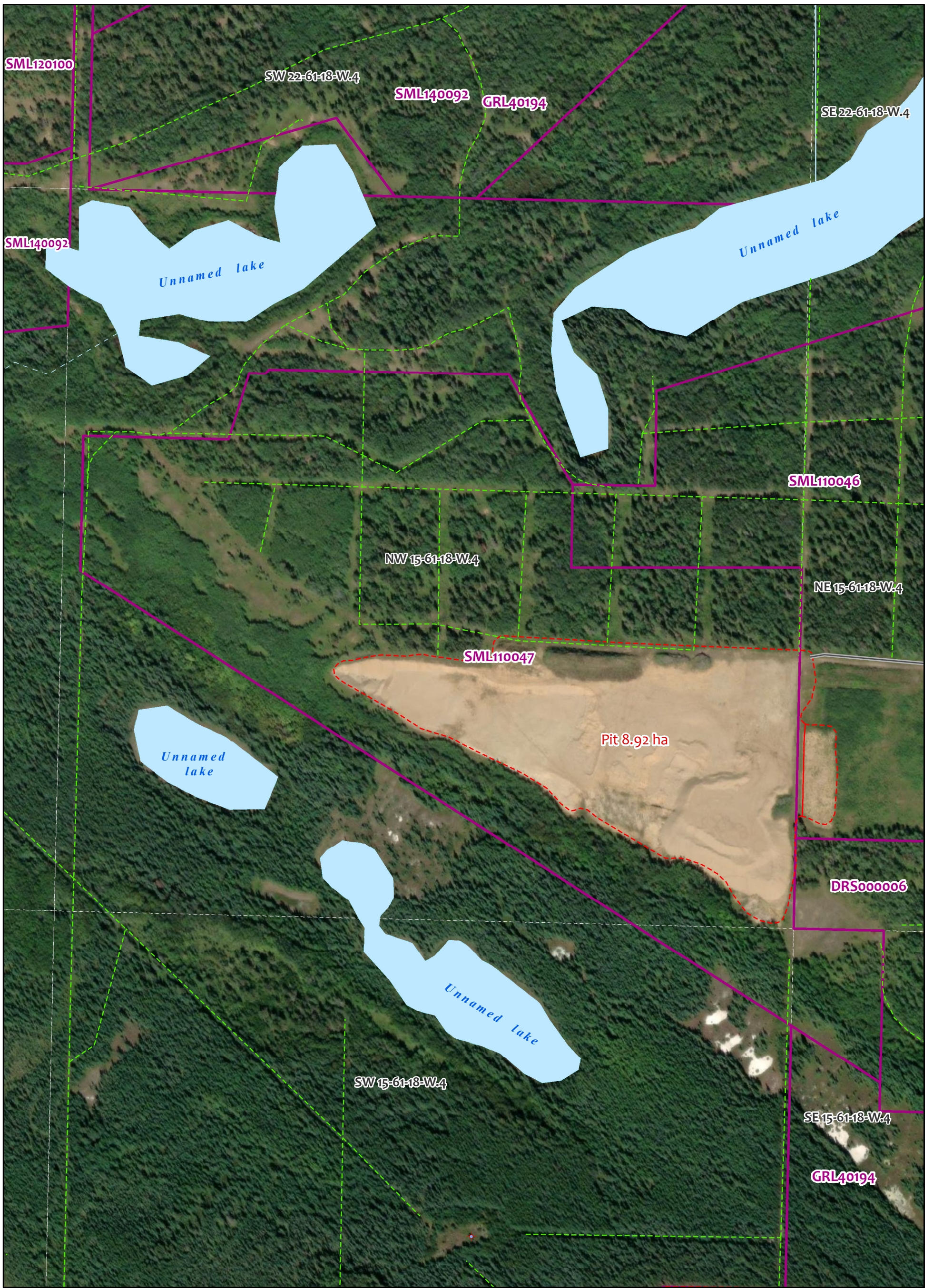
Notwithstanding the above requirements, the Party shall obtain all necessary approvals in complying with this order.

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

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

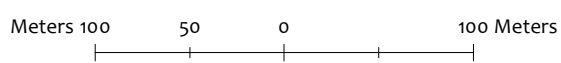
APPENDIX A

APPENDIX A








Mantle Materials - Smoky Lake Pits
SML110047

Scale 1 : 4,000



Well Sites (AER) BME

-  Dry and Abandoned
-  Cutline/Trail
-  Two Lane Gravel Road

-  Pit (8.92 ha)
-  Dispositions

Information as depicted is subject to change, therefore the Government of Alberta assumes no responsibility for discrepancies at time of use.
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Service Layer Credits: Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community
Resolution: 0.5m
Accuracy: 5m
Imagery Date: 20220830
Source: Maxar



Coordinate System: NAD 1983 UTM Zone 12N
Produced by Northeast Geospatial Unit
Created by: rhonda.connors on 10/6/2023
Project # NE-0817_SML110047
Base Data provided by the Government of Alberta under the Alberta Open Government Licence.


APPENDIX B

**CONSERVATION RECLAMTION
BUSINESS PLAN**

And

ADDENDUM

**APPROVAL FOR
SML 110047**

Conservation and Reclamation Business Plan
Plan Approved Date: <u>MAR. 18, 2015</u>
CRB No. <u>120039</u>

The Director Public Lands Act

**Consolidated Conservation and
Reclamation Business Plan
Surface Materials Leases
SML 110045, SML 110046, SML 110047**



SML boundary over air photograph (Valtus Image, Aug. 6, 2008)

Sketches and illustrations are conceptual composites

*Prepared for Robert Beaverford, 541466 Alberta Ltd. and Glenn Ball by TORLAND INC.
April 2012, revised October 2013*

Consolidated Conservation and Reclamation Business Plan (April 2012, revised Oct. 2013)
Applicants: Robert Beaverford, 541466 Alberta Ltd, and Glenn Ball
Part of Sec 15 Twp061 Rge18 W4M
SML 110045, 110046, SML 110047

List of Revisions – October 2013

The CRB Plan dated April 2012 that was submitted to ESRD has been amended as described below:

- Summary
 - End land use changed to wildlife habit, no grazing
 - Description re: changed phasing, partial daylighting, mining of road allowance by County agreement as possible.
- 1.1 Development Overview
 - End land use changed to wildlife habit, no grazing
 - Added text regarding temporary portable asphalt plant
 - Changed description of mining block sequence
 - Revaluated statements re aggregate volume potential and life expectancy of the pit
- 5.3 Depth and Volume of Deposit
 - Revaluated statements re aggregate volume potential and life expectancy of the pit
- 6.4 Development Overview
 - Included Historical Resources review and clearance for SML110045 and SML110046; SML110047 is under study contract with The Archaeology Group, Edmonton
- 7.4 Wildlife
 - End land use changed to wildlife habit for ungulates, no grazing
- 7.7 Surface Drainage
 - End land use changed to wildlife habit for ungulates, no grazing
 - Added text regarding temporary portable asphalt plant
- 8.1 Buffers and Setbacks
 - Removed the reference to a 3m undisturbed buffer along the SML boundaries
- 8.2 Site preparation
 - Added text regarding salvage of woody debris and tops of conifers and deleted text regarding 3m buffer
 - Added text to describe the range of subsoil depths
- 9.5 Waste and Hazardous Materials
 - Added text regarding temporary portable asphalt plant
- 10.1 Sloping
 - 3:1 slopes changed to most slopes will be contoured to 6:1 or gentler. Added undulations to reclaimed topography
- 10.2 Decompaction and Soil Placement
 - Changed slopes to 6:1 or gentler
 - Added text regarding temporary portable asphalt plant
- 10.3 Revegetation
 - Added text regarding using tops of conifers for seed distribution during reclamation.
- 10.4 Reclaimed Surface Drainage
 - Changed slopes to 6:1

Consolidated Conservation and Reclamation Business Plan (April 2012, revised Oct. 2013)

Applicants: Robert Beaverford, 541466 Alberta Ltd, and Glenn Ball

Part of Sec 15 Twp061 Rge18 W4M

• ~~ML 1104~~ ~~Reclamation Security~~

- Revised to match the changed development sequence plan (Dwg 3).

- Drawings

- Dwg. 2,2A,2B – deleted 3m undisturbed buffer, change development blocks
- Dwg. 3 – change mining block configuration and development sequence
- Dwg. 4A- 4C – Revised AA',BB', CC', DD',FF' cross sections; Added note regarding 6:1 slopes; deleted 3m undisturbed buffer
- Dwg. 6 – Added text regarding irregular topography and 6:1 slopes; surface drainage pattern changed; deleted 3m undisturbed buffer

- APPEND

- Append D – added Historical Resource clearance documents for 110045 and 110046 (110047 pending)

Consolidated Conservation and Reclamation Business Plan (April 2012, revised October 2013)
Applicants: Robert Beaverford, 541466 Alberta Ltd, and Glenn Ball
Part of Sec 15 Twp061 Rge18 W4M
SML 110045, SML 110046, SML 110047

Summary

SML 110045, SML 110046 and SML 110047 are located within part of 15- 061-18-W4M. The Leaseholders plan to extract the sand and gravel within the lease areas to meet the demand for aggregate for private and public projects in the Smoky Lake area.

The area is currently wildlife habitat. Parts of SML 110045 and SML 110047, located within SE-15-061-18-W4M, are currently grazing lease area. Lease holder letters of consent are attached (Appendix D).

The site is accessed from the south by Range Road 181 and undeveloped government road allowances.

The SML's are remote from homes and recreation areas; neighbouring activities are industrial; and there are no known sensitive environmental features. This CRBP includes mitigation measures to minimize environmental impacts and effects on others working nearby. Clearing will occur either prior to March 15th, or following a site-review to ensure that the nesting of migratory birds is not disturbed.

The site will be cleared in two logging phases and trees will be salvaged; negotiations are underway with ALPAC and Millar Western for the salvage agreement. A part of the south western boundary of SML 110047 may be partially 'daylighted' and reclamation will be a lowering but not removal of the ridge that will develop as a result of partial 'daylighting'.

A proposal with the County to excavate the undeveloped road allowance along the east boundary of SML110045 if accepted will result in the east boundary to extend through to potential mining of an SML across the road allowance, thereby removing the 'ridge' that would develop if the allowance is not mined.

An application to ESRD for the installation of a temporary asphalt plant will be submitted to ESRD separately from the CRB submission herein. If authorized by ESRD, a temporary asphalt plant would operate for specific periods of time related to market demand and the plant operator will be required to operate under the Code of Practice for Asphalt Plants.

The reclaimed site will be suitable for wildlife habitat. The slopes and topography of the reclaimed site will be irregular to offer a more diverse habitat. Re-vegetation by natural succession is expected during the phased operation. Native trees will be transplanted and supplemented by native vegetation seeding as necessary to restore the natural habitat.

Consolidated Conservation and Reclamation Business Plan (April 2012, revised October 2013)
 Applicants: Robert Beaverford, 541466 Alberta Ltd, and Glenn Ball
 Part of Sec 15 Twp061 Rge18 W4M
 SML 110045, SML 110046, SML 110047

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- Appendix A: Test Results
- Appendix B: Client Provided Test Results
- Appendix C: ASRD Landscape Analysis Tool Report
- Appendix D: FNC Consultation Decision; GRL Consent; Historical Resources Clearance
- Appendix E: Survey Plan

Drawings

- Dwg. 1: Site Location
- Dwg. 2 and 2A: Existing Site/Planned Development
- Dwg. 3: Development Sequence
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- Dwg. 5: Pitface Profiles
- Dwg. 6: Planned Reclamation

1.0 Introduction

1.1 Development Overview

The bulk volume of minable aggregate in these 3 SML's, 110045 (Robert Beaverford), 110046 (541466 Alberta Ltd.), and 110047 (Glenn Ball) may exceed 7,000,000 m³. The leaseholders propose to extract aggregate for private and public projects near Smoky Lake and the surrounding area. It is estimated that the gravel will be removed from the SMLs over a period of 10 to 12 years however market demand will significantly affect the timing for completion.

Mining is sequenced within two large mining blocks, MB1 and MB2 that are subdivided into sub-blocks for the purpose of illustration of the progressive reclamation. The operation including the progressive reclamation and reclamation phase is illustrated in five phases.

Mining area MB1 will be logged in the first phase. As mining moves within MB1, the overburden will be placed directly in portions of the mined area and thereby reduce the time and cost related to stockpiling overburden and then loading and placing overburden as separate operations.

MB2 will be logged and development will begin in a subsequent phase; concurrent progressive reclamation within MB1 will occur during the initial stage of development of MB2.

Operations will include tree clearing and salvage, soil stripping and soil salvage, aggregate excavation, crushing, screening, and aggregate stockpiling. A temporary portable asphalt plant may produce product for infrequent short periods under the Code of Practice for Asphalt Plants.

Once mining operations are complete, the site will be reclaimed to a treed and grass environment suitable for wildlife habitat.

1.2 Location and Ownership

The Crown Dispositions are located approximately 26.2 kilometres (driving distance) north of Smoky Lake within Sec 15 – TWP 61 – RGE 18 – W4M in Smoky Lake County (Dwg.1).

2.0 Municipal Requirements

2.1 Development Permit

The lease holders will apply for and maintain a Development Permit from Smoky Lake County.

3.0 Alberta Government Requirements

3.1 Alberta Land Survey

Alberta Land Survey surveys were completed for the SML's boundaries by Gilmore Surveys (Artic) Ltd. (Appendix E).

4.0 Access

4.1 Transportation Plan/Haul Route

Gravel will be hauled along internal haul roads to the eastern boundary of SML 110045. From the eastern boundary of SML 110045, aggregate will be hauled approximately 1.1 km south along the undeveloped government road allowance, then east along the undeveloped government road allowance for approximately 1.6 km, then south along the undeveloped government road allowance for approximately 2.4 km to where RDS 930045 abuts the road allowance from the west, continue south on the road allowance 0.85 km to Township Road 610 onto Range Road 181, and a further 3.3 km south to the intersection of Range Road 181 and Township Road 604, where the trucks can continue south, or go east or west. A development permit from Smoky Lake County will address the haul route.

5.0 Site Evaluation

5.1 Site Assessment Methodology

On-site assessment was conducted during the testing phase on April 1, 2011, February 24, 28, 29, and March 01, 02, 05, 06, 2012. Further analyses were completed by examining test data (Appendix A and B) and by referencing various maps, reports, websites, and etc. (see References section). The Geographic Land Information Management Planning System (GLIMPS) was searched on March 17, 2011 to determine other interest holders. The SRD Landscape Analysis Tool (LAT July 5, 2011) was referenced to identify areas of special concern (Appendix C).

Base data and geo-referencing information were obtained from Abacus Datagraphics (1)¹ and AltaLis (4).

5.2 Testing

Testing of this area was completed March 15 and April 1, 2011 as part of SME 100149. Twenty-eight test holes within the SML boundaries and eight near the SML boundaries were drilled using a tracked skid steer with a 6 inch diameter flighted auger system. Rock content was determined by auger resistance and the matrix was observed as the augers brought the materials to the surface. Test logs are provided in Appendix A and test locations are shown on Dwg. 2 and Dwg. 2A.

The client completed additional logs from auger test holes and excavator test pits on February 24, 28, 29, and March 01, 02, 05, 06, 2012. TORLAND Inc. and the client classified materials according to slightly different schemes, however, the test results indicate the same overall stratigraphy. The locations of these test holes and test logs are provided in Appendix B and on Dwg. 2B.

¹ Unless otherwise indicated, numbers in brackets refer to References

5.3 Depth and Volume of Deposit

The overburden depth ranges from 0 to 5.5 m, and where present, is on average 1.3 m deep.² Where mineable gravel is present, the thickness of the gravel units range from 0.6 m to 13.7 m and are on average 3.5 m. Most commonly, gravel is at the surface and there is a second mineable gravel layer below sand or low rock content gravel. These sand and low rock content gravel layers and lenses range in thickness from 1.2 m to 6.7 m and are on average 2.7 m. In the north parts of SML 110045 and 110046, the dominant material is sand (Dwg. 4A, 4B, 4C). The maximum depth of excavation will be 20 m. The potential minable bank volume of aggregate in each SML area will potentially exceed:

SML 110045 – 2,000, 000 m³
SML 110046 – 2,000,000 m³
SML 110047 – 3,000,000 m³

The quality of the gravel unit ranges from medium (35 to 50% rock content) to high (greater than 50% rock content) and the gravel is within a sand matrix.

Leaseholders are working on a joint agreement to mine through the common boundary with Alberta Transportation (DRS 000006) and the volume will increase by a small amount.

6.0 Areas of Regulatory Concern

6.1 Wildlife and Vegetation Sensitivities

No plant or animal species at risk are known to occur in the area (1), (8). There is not any known sensitive wildlife or vegetation features (see LAT report in Appendix C).

6.2 Migratory Birds

The nesting period for migratory birds is from early April to August 31 (6). Clearing will take place either prior to March 15th, or if clearing is to take place during the nesting period, the operator will consult with a qualified professional to inspect the area to ensure there are no active migratory bird nests prior to clearing the vegetation. If any active nests are found, those areas will not be disturbed until the qualified professional advises it is safe to do so.

6.3 Fisheries Act

Pit operations in the SMLs will not affect fish or fish habitat. White Earth Creek is located approximately 810m west of the southwestern boundary of SML 110047. White Earth Creek is inventoried as fish habitat (9).

Along all SML boundaries, except where daylighting will occur (part of the south western boundary of SML 110047), surface runoff will be retained onsite because slopes dip towards the centre of the SML (Dwg. 4A, 4B, 4C, 6). While daylighting, silt fences will be installed as

² The following test holes were used to assess the deposit: SML 110045 – 401-408, 411-415, 428, 429, 435, 436; SML 110046 – 408-411, 416, 417, 425-430, 432; SML 110047 – 418, 420-426, 430-434

Consolidated Conservation and Reclamation Business Plan (April 2012, revised October 2013)
Applicants: Robert Beaverford, 541466 Alberta Ltd, and Glenn Ball
Part of Sec 15 Twp061 Rge18 W4M
SML 110045, SML 110046, SML 110047

necessary to keep surface runoff and sediment on the site and no fluids or sediment will be carried offsite. Surface runoff will not be pumped off the SMLs. Progressive reclamation will begin as soon as possible to re-establish vegetation.

6.4 Historical Resources

The current Historical Sites and Areas Document were reviewed (0. An HRV is not assigned for this area. A Historical Resources Impact Assessment review request has been responded to with a clearance proviso for 110045 and 110046 (HRIA decision attached Append D):

"Historical Resources Act clearance is granted subject to Section 31 of the Resources Act, "a person who discovers an historic resource in the course of making an excavation for a purpose other than for the purpose of seeking historic resources shall forthwith notify the minister of the discovery". The chance discovery of historical resources is to be reported to the contacts identified within the listing".

SML110047 requires archaeological assessment (HRIA decision attached Append D):

"Pursuant to Section 37(2) of the Historical Resources Act, a Historical Resources Impact Assessment (HRIA) report is required for all or portions of those activities described on this application and its attached plan(s)/sketch(es). The HRIA is to be prepared in accordance with the instructions outlined in the attached Schedule A".

The Archaeology Group are contracted to complete the assessment and they have submitted the application for the permit to proceed with Alberta Culture.

6.5 Parks/Other Protected or Special Areas

The nearest park/protected/special area is Hanmore Lake Provincial Recreation Area, located approximately 3.1 km (straight line) northeast of SML 110045. The SML is far enough away from the park that no impact will occur to the features within the park, and recreational users will not see or hear pit activities.

The SMLs do not lie within or adjacent to a Natural Area, Eco-reserve, or Heritage Rangeland. There are no known permanent or research sample plots, or Rangeland Benchmarks within 100m of the SML boundaries.

6.6 First Nations Consultations

First Nations consultation with Saddle Lake, Whitefish (Goodfish), and Beaver Lake First Nations is complete (FNC # LLB20110380, LLB20110381, and LLB20110382 – Appendix D).

6.7 Other Interest Holders

There are few interest holders in this area. An agreement has been reached with GRL 40194 holder Kevin Wawrynychuk (Consent to Withdrawal – Appendix D).

Within 15-061-18-W4M:

GRL 40194 - Kevin Wawrynychuk (Consent to Withdrawal);

PNTs 30854. 060150 - Athabasca Office - Rangeland District (Referral)

TPA 951 - Elmer Cardinal (Notification)

DRS 000006 and CRP 040034 – Transportation (Adjacent site – reclamation consideration)

7.0 Existing Land Use & Biophysical Conditions

7.1 Existing Land Use and Disturbances

The SML areas are currently forested wildlife habitat, and the parts of SML 110045 and SML 110047 within SE-15-061-18-W4M are grazing lease areas. There are fences, trails and cutlines in the SML area (Dwg. 2, 2A). Fences will be moved or adjusted as required in cooperation with the GRL holder.

7.2 Vegetation

The SMLs lie within the Central Mixedwood Subregion of the Boreal Forest Natural Region (12). The vegetation is dominated by mature spruce (70%). The forest is mixedwood ("CD" 70-50% coniferous trees). The ratio of spruce to pine is estimated at 4 to 1 and the ratio of aspen to other deciduous trees is estimated at 9 to 1.

There is no FMA holder for this area. Salvage of the pine will be completed by either ALPAC or Millar Western pending their on-site evaluation.

7.3 Forest Capability

The Canada Land Inventory for Forestry classifies the majority of the lease areas as 80% Class 5MF and 20% Class 6W (6). A small part of SML 110047 (northwest corner) is 50% Class 4M and 50% Class 5MF. The site has moderately severe to severe limitations to the growth of commercial forests due to soil moisture deficiency, low fertility, and soil moisture excess. A small part of SML 110047 (Class 4M) has moderate limitations to the growth of commercial forests due to soil moisture deficiency.

7.4 Wildlife

The area provides habitat for a variety of animals (e.g., deer, coyote, porcupine, hare, birds, etc.). Development of the lease in phases and progressive reclamation will minimize the length of time that wildlife is displaced. The site will be reclaimed through natural regeneration and succession, and tree planting. No long term impact to wildlife is expected. The reclaimed land will be wildlife habitat suitable for ungulates.

Migratory birds may nest within the site; therefore, clearing activity will be conditional (see 6.2)

7.5 Soils

Regional soil studies describe the soils in the areas as follows:

- Orthic gray luvisol and dark gray luvisol; the area contains soils that are coarser textured than the dominant or co-dominant soils (AGRASID Soil Polygon 21830) (0, (2). The southwestern half of SML 110047 is mapped as miscellaneous organic soils and the landform is confined terraced floodplain with a limiting slope of 3% (AGRASID Soil Polygon 21805) (0, (2).
- 50% degraded dystric brunisol, loamy sand, rapidly drained (Nestow); 30% degraded eutric brunisol, coarse loamy sand, rapidly drained (Edward); 20% degraded eutric brunisol and brunisolic gray luvisol, sandy loam and loamy sand, rapidly drained (Nicot

Complex) (15). The northwestern most part of SML 110047 contains undifferentiated soils on eroded slopes along stream channels (Rough Broken) (17)

The initial site visit in March 15 and April 1, 2011 and subsequent observations (240 back hoe excavation carried out in Feb-March 2012) indicate that the thickness of topsoil and subsoil varies across the site. The texture of the topsoil (A horizon) is sand and it ranges in thickness from 10 cm to 15cm (average 0.14) and the thickness of the subsoil (B horizon) ranges from 0 to 90cm (average 0.54). Topsoil and subsoil will be salvaged as described in 8.2 below.

7.6 Topography

The topography is gently rolling to hummocky. Slopes range from gentle [6-9% (10:1)] to strong [16-30% (3:1)]. Located in SML 110047 is a strong sloped eastern valley wall of a meltwater channel, and there is a dry draw in the southeast corner of NW-15-061-18-W4M (Dwg. 2, 2A, 4B).

7.7 Surface Drainage

The site does not contain and is not adjacent to a permanent water body. There is a creek or stream showing on the Smoky Lake County Ownership Map (14) however no creek or stream was located during the site visit. The four ponds adjacent to the SML areas are intermittent (Dwg. 2, 2A) (16). Local surface drainage patterns are likely where hummocks are present. The general direction of surface drainage is from northeast to southwest, except the northernmost 150 m (approximately) which drains towards the north. Overland flow is unlikely because the permeable gravel deposit is at surface – rainfall and snowmelt infiltrate the gravel before flowing in the subsurface towards the lower land west and north of the SMLs.

Along all SML boundaries surface runoff will be retained onsite with slopes that dip towards the centres of the site (Dwg. 4A, 4B, 6). Subject to ESRD approval a temporary portable asphalt plant will be located on a compacted pad. Berms will be constructed around the asphalt plant and asphalt haul route to contain any surface runoff. A HDPE liner will be installed under oil transfer area. Berm material will come from SML's 110045, 46 and 47. Surface runoff will not be pumped off the SML's. Progressive reclamation should begin as soon as possible to re-establish vegetation.

7.8 Hydrogeology

The closest water well is located in SW-22-061-18-W4M (1827830); it is an Alberta Environment monitoring well. The next closest water wells are located approximately 3.5 km from the SML areas (1185109, 192303, 192296) (3). The extraction operation operations are dry and far enough from the water wells that no impact is expected.

Only one test hole within SML 110047 (TL 418 at 7.6m) encountered wet materials, and only three test holes near the SMLs encountered wet materials (TL 419, 433, 434 at 0.3m) (Appendix B, Dwg. 2, 2A). All of these holes are located below the top slope break of the meltwater channel valley. The water table has not been established in the SML areas. The operations will be dry.

It is likely that the SMLs are recharge areas because coarse materials are at the surface, and

no springs or water bodies occur in the SML areas.

7.9 Geology

The bedrock in the SML area is Late Cretaceous Belly River Group: nonmarine, grey to greenish grey, thick-bedded, feldspathic sandstone; greys clayey siltstone, grey and green mudstone; concretionary ironstone beds (11). No test holes or test pits intersected the bedrock.

The leases are located on a rolling and hummocky plain that is adjacent to and oriented parallel with a melt water channel that is occupied by the modern White Earth Creek. The geological origin of the sand and gravel is likely ice-contact fluvial (7).

7.10 Stratigraphy

The stratigraphy varies across the SMLs (Dwg. 4A, 4B, 4C). Generally, there is an alternating sequence of gravel and sand. Most commonly, gravel is at the surface and there is a second mineable gravel unit below a layer or lens of sand or low rock content gravel. There are places where the sand unit below gravel outcrops as overburden. There are also places where discontinuous sand bodies overly the topmost gravel unit. In the north parts of SML 110045 and SML 110046, the material is sand dominated (Dwg. 4A, 4B, 4C).

The quality of the gravel unit ranges from medium (35 to 50% rock content) to high (greater than 50% rock content).

8.0 Pit Development

8.1 Buffers and Setbacks

A maximum setback of 13 m is shown along all SML boundaries except where daylighting will occur. This setback was calculated by multiplying the average maximum depth of the excavation (8.5 m) by 1.5 (for a slope of 3 to 1). The setback may be mined if there is sufficient overburden or elimination for reclamation or the depth of excavation is less than 8.5 m

8.2 Site Preparation

Trees will be cleared in two phases from the SML's and the trees salvaged by a third party (Dwg 3). Tops of conifers will be salvaged for seed distribution during reclamation. Burning of woody debris is not planned unless required and authorized by ESRD. Logs and salvageable debris will be hauled off the site. The unsalvageable woody debris will be stockpiled in linear piles and covered with the salvaged topsoil to minimize fire hazard and to retain the debris for roll-back.

Topsoil (A horizon and the duff layer) will be stripped in one lift to an average depth of 14 cm and stockpiled where shown (Dwg. 3); where soil is less than 14 cm thick, the top 14 cm of materials will be stripped. Alternatively, the topsoil will be placed over woody debris piles to reduce the potential for fire. Subsoil (B horizon) will be stripped to a range of depths from 20-54 cm as available and stockpiled approximately as illustrated (Dwg. 3).

Overburden will be stripped in a separate lift to expose the minable aggregate.

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Stockpiling of overburden and significant depths of subsoil will be minimized by an aggressive practice of 'direct-placement' (Dwg. 3).

8.3 Mining Sequence / Additional Development Opportunities

The planned clearing, mining, progressive and full reclamation is illustrated in Dwg. 3.

9.0 Mitigation Measures for Pit Operations

9.1 Dust Control

A speed limit of 15 km/h will be implemented in the active pit area and all loads of aggregate material will be covered and tarped to reduce the dust generated from vehicles. Covered loads also reduce the potential for vehicle damage from gravel falling off the trucks. Active areas and haul roads will be watered when necessary; water will be obtained off-site from an approved source.

9.2 Weed Control

No known noxious or restricted weeds were evident during the on-site evaluation. To reduce the chance for introducing weeds, vehicles will be cleaned regularly, topsoil and other materials will not be imported, and any seed mixtures will be certified as free of weeds prior to their use. The site will be monitored for evidence of weeds and a weed identification reference will be made available to onsite personnel³. Weed control will be implemented as necessary (e.g., picking, mowing, or spot spraying).

9.3 Noise Monitoring

All pit operations will be conducted in accordance with the provincial and municipal noise regulations. The proposed site is well-isolated from human settlement.

9.4 Wind and Water Erosion

The integrity of the soil stockpiles will be maintained by placing them at least 3m away from the toe of any other existing stockpiles and 5m from the edge of any pit faces. To reduce the potential for soil loss by erosion, soil stockpiles will be contoured and stabilized by seeding lightly according to Alberta Environment guidelines. During prolonged periods of inactivity, pit faces will be sloped to 1 to maintain stability and reduce erosion (ref. Dwg. 5). While daylighting, silt fences will be installed as necessary to keep surface runoff and sediment on the site.

9.5 Waste and Hazardous materials

All combustible refuse will be stored in metal dumpsters and disposed off-site. All non-

³ For a recent example of a weed identification guide, see the *Alberta Invasive Plant Identification Guide* <http://www.wheatlandcounty.ca/files/ID%20Book%202010%20-%20Final%20-%20Copy.pdf>; last accessed July 5, 2011.

combustibles, petroleum materials and containers will be disposed in appropriate off-site facilities. While on-site, all hazardous materials (fuel, oil, etc.) will be handled safely to prevent contamination of soil and water. Above ground storage tanks will have secondary containment that meets Alberta Environment's guidelines. A spill kit will be kept on site as a contingency in the event of a spill. Domestic refuse will be kept in animal proof containers and human waste will be managed in a self-contained portable toilet.

The asphalt plant will be operated in accordance with the Code of Practice for Asphalt Paving Plants. Additionally, the asphalt plant, supporting materials, and resulting waste and reject materials will be located where soil has been stripped and on compacted overburden and as far away from reclaimed areas as practicable. Any spills resulting from the plant will be cleaned up immediately; clean up materials will be available on site, and spent clean up materials that are kept on site will be maintained in covered containers until disposed offsite at an appropriate facility.

9.6 Fire Protection

The area is not within a FireSmart Community Zone but the lease operator will implement strategies to minimize the risk of fire (10). All combustible refuse will be stored in metal dumpsters and disposed offsite. If any woody debris is to be burned on site (on the advice of the Forest Officer) the material will be placed on bare mineral soil and burned only under favourable wind, humidity and moisture conditions. With the advice of a Forest Officer, any woody debris left on site for reclamation purposes will be covered with soil to reduce the fire hazard.

10.0 Planned Reclamation

10.1 Sloping

For the most part reclaimed slopes will be contoured to 6:1 or gentler. The topography of the reclaimed site will be variable and undulating so that a diverse wildlife habitat will develop. As indicated on Dwg. 4A, 4B, 4C, 5 and 6. The daylighted slope will be shaped to conform to the pre-existing topography.

10.2 Decompaction and Soil Placement

All facilities including asphalt plant will be removed, and all wastes and any contaminated soils will be hauled off-site to an appropriate facility. Berms will be leveled if clean, if not they will be haul away.

The processing areas and all internal haul roads will be decompacted. These areas will be ripped to break up the surface and increase permeability prior to placing the soil.

At least 1.5 m of overburden and elimination materials will be placed on the pit floor (with poorer materials at the bottom) and most slopes will be contoured to 6:1 or gentler, or to conform with the existing topography (see section 10.1) (Dwg. 4A, 4B, 4C). Subsoil will be replaced to a varying depths of 20-54cm followed by topsoil to an average thickness of 14cm. Available woody debris will be rolled back to minimize erosion, provide small animal habitat, and provide suitable microsites for seed establishment in a succession of grasses, shrubs, deciduous trees and conifers.

10.3 Revegetation

The reclaimed site will be vegetated through natural regeneration from the soil seed bank and transplanting or spreading of native seeds. Tops of conifers will be salvaged for seed distribution during reclamation. Natural succession is expected to produce a sequence of native grasses, suckering aspen and shrubs, and over the longer term, potential regeneration of conifers.

The site will be monitored for vegetation growth and any areas that are slow to grow will be seeded with native species or an approved seed mixture according to Alberta Environment guidelines. (16)

10.4 Reclaimed Surface Drainage

Drawing 6 illustrates the surface drainage pattern of the reclaimed site. Due to the coarse nature of the overburden and reject materials that will be replaced during reclamation, most drainage is expected to be subsurface rather than overland flow. The 6:1 slopes along the majority of the excavation area perimeter will ensure that most overland flow is retained onsite and eventually seeps through to the subsurface and follows the natural drainage pattern. The partially daylighted slope will retain the subsurface drainage feature within the site. If required, following observation, a silt fence will be installed to entrap sediment and keep soil onsite. As the vegetation becomes well established, the fence will be removed.

11.0 Reclamation Security

91.81ha (226.86ac) in total will be cleared for development. Clearing will be sequenced within two large blocks MB1 and MB2 as described in the Dwg. 3 illustrations and related text as follows

	SML 110045	SML110046	SML110047	Total
Block 1	17.30ha (42.75ac)	9.76ha (24.12ac)	14.13ha (34.92ac)	41.19ha (101.78ac)
Block 2	15.84ha (39.14ac)	18.53ha (45.79ac)	16.25ha (40.15ac)	50.62ha (125.08ac)

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References

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[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/saq10372](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/saq10372) , last accessed July 7, 2011, Government of Alberta, Agriculture and Rural Development.
- 3) Alberta Water Well Information Database; <http://www.environment.alberta.ca/01314.html>;
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- 16) Revegetation Using Native Plant Materials, Guidelines for Industrial Development Sites. <http://environment.gov.ab.ca/info/library/5927.pdf>; Last accessed February 24, 2012; Alberta Environment.
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APPENDIX A: Test Results

**APPENDIX B: Client Provided Test Data
[78 page file available]**

**APPENDIX C: ASRD Landscape
Analysis Tool Report**

**APPENDIX D:
FNC Consultation Adequacy Decision
GRL Consent
Historical Resources Clearance**

APPENDIX E: Survey Plan

Drawings:

- Dwg. No. 1: Site Location
 - Dwg. No. 2 & 2A: Existing Site/Planned Development
 - Dwg. No. 2B: 2012 Client Provided Test Data
 - Dwg. No. 3: Development Sequencing
 - Dwg. No. 4A,4B & 4C: Cross-Section Profiles
 - Dwg. No. 5: Pit Face Profiles
 - Dwg. No. 6: Planned Reclamation
-

Consolidated Conservation and Reclamation Business Plan (April 2012, revised May 2013)
Applicants: Robert Beaverford, 541466 Alberta Ltd, and Glenn Ball
Part of Sec 15 Twp061 Rge18 W4M
SML 110045, SML 110046, SML 110047

APPENDIX A: Initial Test Results

Amendment to April 2012 Submission to ESRD - Consolidated CRBP SMLs 110045-110046-110047 Submitted to ESRD-EDM 15 October 2013

SME 100149 Test Report.
Within parts of Sec15-061-18 W4,
[TEST LOGS.]

TABLE 1: TEST LOG
REF: ATTACHED SKETCH 1 & 1A 'TEST LOCATIONS'

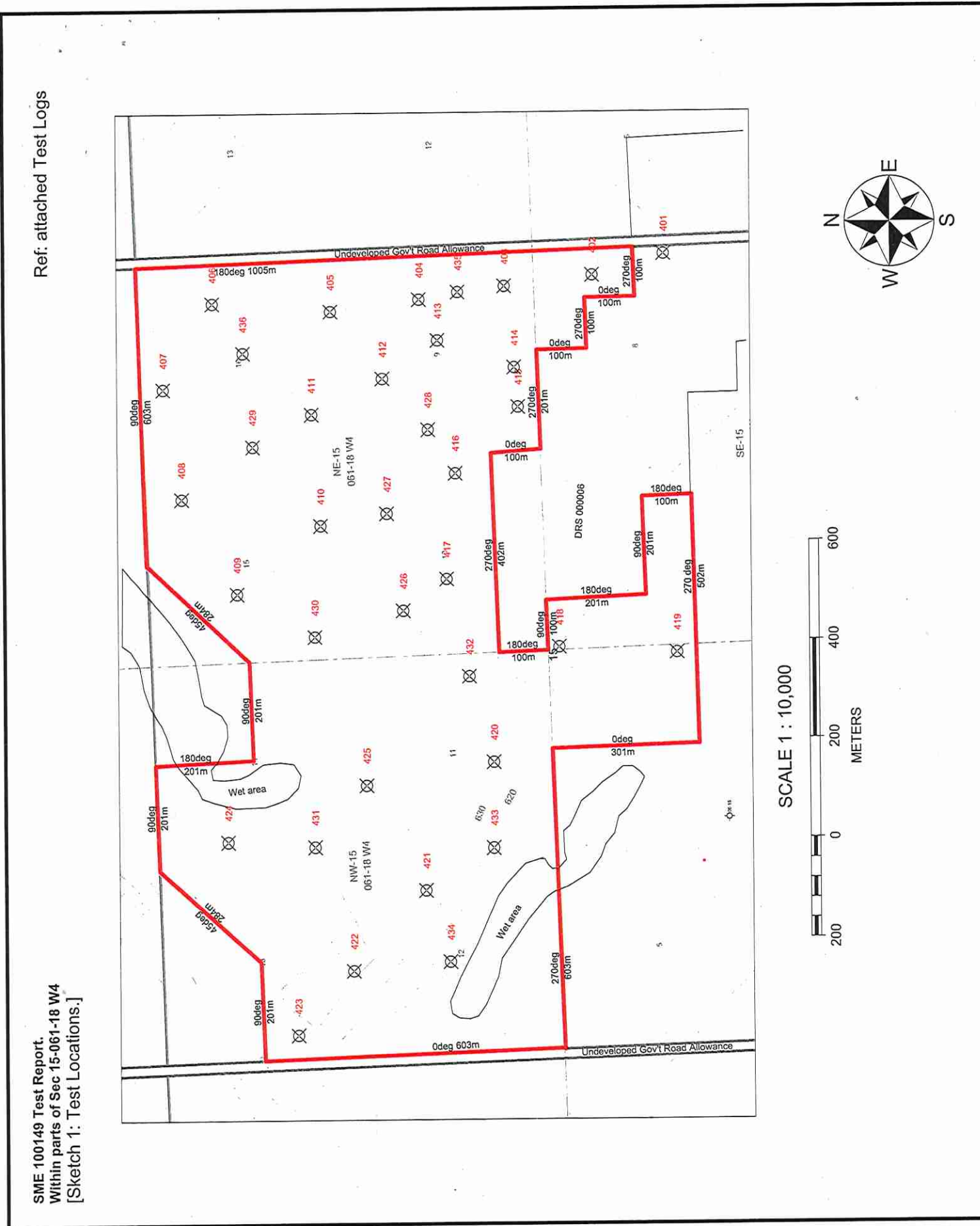
TEST LOG	SUBSURFACE TESTS	MATERIALS CLASSIFICATION:
SITE LOCATION:	SME 100149 WITHIN PARTS OF SEC 15-061-18 W4	J.L.G. BALL ENT / GORD
TEST PLAN:	D. TORSTENSEN	TORLAND / D. TORSTENSEN
EQUIPMENT OPERATOR:	J.L.G. BALL ENT / GORD	LOGS: D. TORSTENSEN
EQUIPMENT:	TRACKED SKID STEER WITH 6" HYDRAULIC AUGER	
TESTING DATE(S):	MARCH 15 & APRIL 1, 2011	

COORDINATES: UTM ZONE 12 GENERAL SOIL LITHOLOGY: TS 0-10cm SAND; SS 0-20cm SAND.
 DEPTH UNITS: FEET (+/- NEAREST UNIT) GENERAL TOPOGRAPHY: MATURE TREES, HILLS. ELEVATION VARIANCE APPROX 100 FT.

TL 401	TL 402	TL 403	TL 404	TL 405	TL 406	TL 407	TL 408	TL 409	TL 410
0395 733 E 6015 066 N 00 - 10+ Gs 10+ - 00 UTP 00 - 00 00 - 00 00 - 00 00 - 00	0395 699 E 6015 212 N 00 - 01 T 01 - 10 Gs 10 - 35 Fs 35 - 40+ Gs 00 - 00 00 - 00	0395 688 E 6015 391 N 00 - 01 T 01 - 15 Gs 15 - 30 Ps 30 - 40+ Fs 00 - 00 00 - 00	0395 672 E 6015 565 N 00 - 6" T 6" - 10 Gs 10 - 20 Ps 20 - 40 S 00 - 00 00 - 00	0395 659 E 6015 745 N 00 - 4" T 4" - 03 Gs 03 - 25 S 25 - 00 STOP 00 - 00 00 - 00 00 - 00	0395 690 E 6015 984 N 00 - 25 S 25 - 00 STOP 00 - 00 00 - 00 00 - 00 00 - 00	0395 523 E 6016 094 N 00 - 15 S 15 - 18 Gs 18 - 25 S 25 - 00 STOP 00 - 00 00 - 00	0395 302 E 6016 070 N 00 - 25 S 25 - 00 STOP 00 - 00 00 - 00 00 - 00 00 - 00	0395 105 E 6015 969 N 00 - 25 S 25 - 00 STOP 00 - 00 00 - 00 00 - 00 00 - 00	0395 231 E 6015 791 N 00 - 05 S 05 - 08 Fs 08 - 25 S 25 - 00 STOP 00 - 00
TL 411	TL 412	TL 413	TL 414	TL 415	TL 416	TL 417	TL 418	TL 419	TL 420
0395 454 E 6015 796 N 00 - 25 S 25 - 00 STOP 00 - 00 00 - 00 00 - 00 00 - 00	0395 518 E 6015 648 N 00 - 07 Fs 07 - 25 S 25 - 00 STOP 00 - 00 00 - 00	0395 587 E 6015 533 N 00 - 12 Fs 12 - 16 Gs 16 - 35 S 35 - 00 STOP 00 - 00	0395 523 E 6015 381 N 00 - 4+ Gs 4+ - 00 UTP 00 - 00 00 - 00 00 - 00	0395 443 E 6015 378 N 00 - 3+ Gs 3+ - 00 UTP 00 - 00 00 - 00 00 - 00	0395 319 E 6015 513 N 00 - 15 Gs 15 - 23 S 23 - 28 Fs 28 - 32 S 32 - 40+ Gs 00 - 00	0395 109 E 6015 544 N 00 - 05 Gs 05 - 18 Fs 18 - 26 Ps 26 - 34 S 34 - 40+ Gs 00 - 00	0394 959 E 6015 325 N 00 - 04 S 04 - 16 Gs 16 - 21 Ps 21 - 23 Gs 23 - 35 S 35 - 40+ Gs W@25	0394 932 E 6015 088 N 00 - 01 T 01 - 20 C 20 - 00 STOP 00 - 00 00 - 00	0394 734 E 6015 472 N 00 - 05 S 05 - 07 Gs 07 - 11 S 11 - 20 Fs 20 - 37 S 37 - 40+ Ps
TL 421	TL 422	TL 423	TL 424	TL 425	TL 426	TL 427	TL 428	TL 429	TL 430
0394 487 E 6015 625 N 00 - 10 Gs 10 - 15 Ps 15 - 29 Gs 29 - 35 Ps 35 - 40+ Gs 00 - 00	0394 335 E 6015 780 N 00 - 12 Fs 12 - 25 S 25 - 40+ Gs 00 - 00 00 - 00	0394 212 E 6015 901 N 00 - 07 S 07 - 26 Fs 26 - 40 S 00 - 00 00 - 00	0394 608 E 6016 019 N 00 - 05 S 05 - 11 Gs 11 - 23 S 23 - 25 Fs 25 - 35 S 35 - 40+ Fs	0394 704 E 6016 731 N 00 - 6" T 6" - 21 Gs 21 - 36 Ps 36 - 40+ Gs 00 - 00	0395 051 E 6015 635 N 00 - 03 S 03 - 18 Fs 18 - 26 S 26 - 35 Fs 35 - 40 S 00 - 00	0395 247 E 6015 656 N 00 - 18 S 18 - 24 Fs 24 - 36 Gs 36 - 40 S 00 - 00	0395 409 E 6015 563 N 00 - 02 S 02 - 12 Gs 12 - 34 S 34 - 55 Fs 55 - 65+ Gs 00 - 00	0395 397 E 6015 919 N 00 - 02 S 02 - 20 Gs 20 - 25 Fs 25 - 28 Gs 28 - 38 Fs 38 - 45 S 45 - 65+ Gs	0395 009 E 6015 817 N 00 - 03 S 03 - 09 Fs 09 - 22 Gs 22 - 30 Fs 30 - 45 S 45 - 49 Gs 49 - 55 Fs 55 - 65+ Gs
TL 431	TL 432	TL 433	TL 434	TL 435	TL 436	TL 437	TL 438	TL 439	TL 440
0394 587 E 6015 843 N 00 - 45 Gs 45 - 50 Fs 50 - 60+ Gs 60+ - 00 UTP 00 - 00 00 - 00	0394 910 E 6015 511 N 00 - 44 Gs 44 - 48 Fs 48 - 60 Gs 60 - 65 S 00 - 00 00 - 00	0394 563 E 6015 483 N 00 - 17 Sc 17 - 20 Fsc 20 - 00 STOP 00 - 00 00 - 00	0394 341 E 6015 483 N 00 - 20 Sc 20 - 00 STOP 00 - 00 00 - 00 00 - 00	0395 682 E 6015 486 N 00 - 02 S 02 - 09 Gs 09 - 16 S 16 - 40 Gs 40 - 46 Ps 46 - 51 S 51 - 55 Ps 55 - 65+ Gs	0395 586 E 6015 928 N 00 - 02 Fs 02 - 14 S 14 - 29 Gs 29 - 34 Ps 34 - 60 Gs 60 - 65+ Fs 00 - 00	0000 000 E 0000 000 N 00 - 00 00 - 00 00 - 00 00 - 00 00 - 00 00 - 00	0000 000 E 0000 000 N 00 - 00 00 - 00 00 - 00 00 - 00 00 - 00 00 - 00	0000 000 E 0000 000 N 00 - 00 00 - 00 00 - 00 00 - 00 00 - 00 00 - 00	0000 000 E 0000 000 N 00 - 00 00 - 00 00 - 00 00 - 00 00 - 00 00 - 00

LEGEND:	AGGREGATE PROFILE:
Pe Peat	Sa (S) Sand: estimated less than 20% gravel
T Organic Top Soils	Low (P) Low gravel content: estimated 20-35% gravel
C Clay	Med (F) Medium gravel content: estimated 35-50% gravel
BR Bedrock	High (G) High gravel content: estimated more than 50% gravel
W@ Water @ (level or range of the top of wet material)	Definer: Gs G in Sand; Gsi G in Silt; Gc G in Clay
UTP Unable to penetrate	Gsc G in Sandy clay; Gcs G in Clayey sand;
CS Clayey Sand	
CSi Clayey Silt	
SSi Sandy Silt	
SiS Silty Sand	
SiC Silty Clay	
SC Sandy Clay	
SS Sandstone	

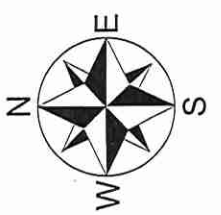
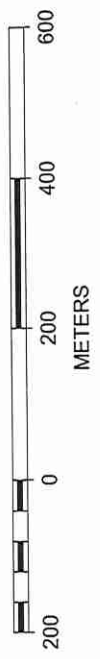
Notes:
 -- the test plan was intended as a preliminary evaluation only;
 -- Material classifications with flighted auger systems are based on auger resistance to classify the rock content. Sands, silts, and clays are determined by material brought to the surface by the auger. Classification using the auger system therefore is not as accurate as sampling from open pits; material sampling using open pits is recommended to ensure suitability of the material for particular product specifications.



Ref: attached Test Logs

SME 100149 Test Report.
 Within parts of Sec 15-061-18 W4
 [Sketch 1: Test Locations.]

SCALE 1 : 10,000

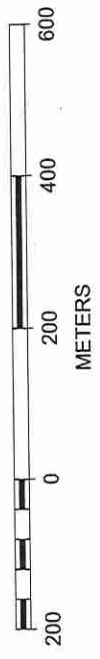


Ref: attached Test Logs

SME 100149 Test Report.
Within parts of Sec 15-061-18 W4
[Sketch 1A: Test Locations.]



SCALE 1 : 10,000



APPENDIX B:
Client Provided TestData
[78 pps. Sampling data available –
not included]

Consolidated Conservation and Reclamation Business Plan (April 2012, revised May 2013)
Applicants: Robert Beaverford, 541466 Alberta Ltd, and Glenn Ball
Part of Sec 15 Twp061 Rge18 W4M
SML 110045, SML 110046, SML 110047

**APPENDIX C: ASRD Landscape
Analysis Tool Report**

There are 3 LAT Reports covering the consolidated area. All reports have the same Project Name however each report applies to the SML(s) within the areas shown on the Lat Report Map. Only site specific pages are included.

Government of Alberta

Lands Division
Sustainable Resource Development

The LAT is not specifically designed for SMLs, however is generated and referred to here for the Base and Sensitive Features listed and the Map legend classification as generated for an MSL

SCHEDULE B

Landscape Analysis Tool Report

000000927E
Page 1 of 14

Time: 13:08 21 PM

LAT Number: 000000927E

LAT Date: 2011-07-05

Project Name: SML110046

**Project
Description:**

Disposition Type: Mineral Surface Lease (MSL)

Purpose Type: Wellsite & Compressor (WELLCOMP)

Note to Applicants:

It is the applicant's responsibility to determine if an EAP application will be submitted to SRD as "standard" or "non-standard". Applicants should complete a thorough review of EAP processes, IS&G documents and LAT Reports generated prior to making this determination.

- "Standard" interim EAP application submissions are those where the applicant chooses to meet all of the associated SRD Approval Standards identified in the LAT Report being submitted with the application.
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- "Where there is more than one applicable Approval Standard or Operating Condition, as the case may be, applicable to the activities and the Lands as identified in the LAT Report being submitted with the application, the more strict Approval Standard or Operating Condition shall prevail."

The information provided within the LAT Tool is a spatial representation of features provided for land use planning. The accuracy of these layers varies depending on the resource value being represented. Ground-truthing is required to ensure that the applicant will meet the applicable Integrated Standards and Guidelines.

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SCHEDULE B

Landscape Analysis Tool Report

000000927E
Page 2 of 14

Base Features

Crown Ownership:	<input type="text" value="Provincial/Untitled"/>	FMU:	<input type="text" value="LO1"/>
Green/White Area:	<input type="text" value="White Area"/>	FMA:	<input type="text"/>
Municipality:	<input type="text" value="Smoky Lake County"/>	Integrated Resource Plan (Local):	<input type="text"/>
Provincial Grazing Reserve:	<input type="text"/>		
Rocky Mountain Forest Reserve:	<input type="text"/>		

Provincial Sanctuaries

Corridor Wildlife:	<input type="text"/>	Game Bird:	<input type="text"/>
Restricted Area:	<input type="text"/>	Seasonal:	<input type="text"/>
		Wildlife:	<input type="text"/>

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SCHEDULE B

Landscape Analysis Tool Report

000000927E
Page 3 of 14

Sensitive Features

Wildlife			
Burrowing Owl Range:	<input type="text" value="No"/>	Ord's Kangaroo Rat Range:	<input type="text" value="No"/>
Caribou Zones:	<input type="text" value="No"/>	Other Sensitive and Endangered Species:	<input type="text" value="No"/>
Colonial Nesting Birds:	<input type="text" value="No"/>	Piping Plover Waterbodies:	<input type="text" value="No"/>
Eastern Short-horned Lizard Range:	<input type="text" value="No"/>	Sensitive Amphibians Ranges:	<input type="text" value="No"/>
Endangered and Threatened Plants Ranges:	<input type="text" value="No"/>	Sensitive Raptor Range:	<input type="text" value="No"/>
Greater Sage Grouse Habitat and Buffer:	<input type="text" value="No"/>	Sensitive Snake Species Range:	<input type="text" value="No"/>
Greater Sage Grouse Leks and Buffer:	<input type="text" value="No"/>	Sharp-tailed Grouse Range:	<input type="text" value="No"/>
Grizzly Bear Zone:	<input type="text" value="No"/>	Special Access Zone:	<input type="text" value="No"/>
Key Wildlife and Biodiversity Zones:	<input type="text" value="No"/>	Swift Fox Range:	<input type="text" value="No"/>
Mountain Goat and Sheep Areas:	<input type="text" value="No"/>	Trumpeter Swan Waterbodies/Watercourse:	<input type="text" value="No"/>

Water	
Proximity to Waterbody:	Industry will ensure that the Watercourse/Waterbodies standards and conditions as defined within the Integrated Standards and Guidelines are followed. To ensure these setbacks and buffers are addressed and maintained, it is recommended that a pre-site assessment occur.

Grassland and Parkland Natural Region:	
Grassland and/or Parkland Natural Region:	<input type="text" value="No"/>

Approved for Release to the Public on April 20, 2012 pursuant to the Access to Information Act / Révisé pour la diffusion au public le 20 avril 2012 en vertu de la Loi sur l'accès à l'information.

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SCHEDULE B

Landscape Analysis Tool Report

000000927E
Page 4 of 14

<u>Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Meridian</u>	<u>Sensitive Features by Quarter Section</u>
NE	15	61	18	4	
SE	15	61	18	4	

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SCHEDULE B

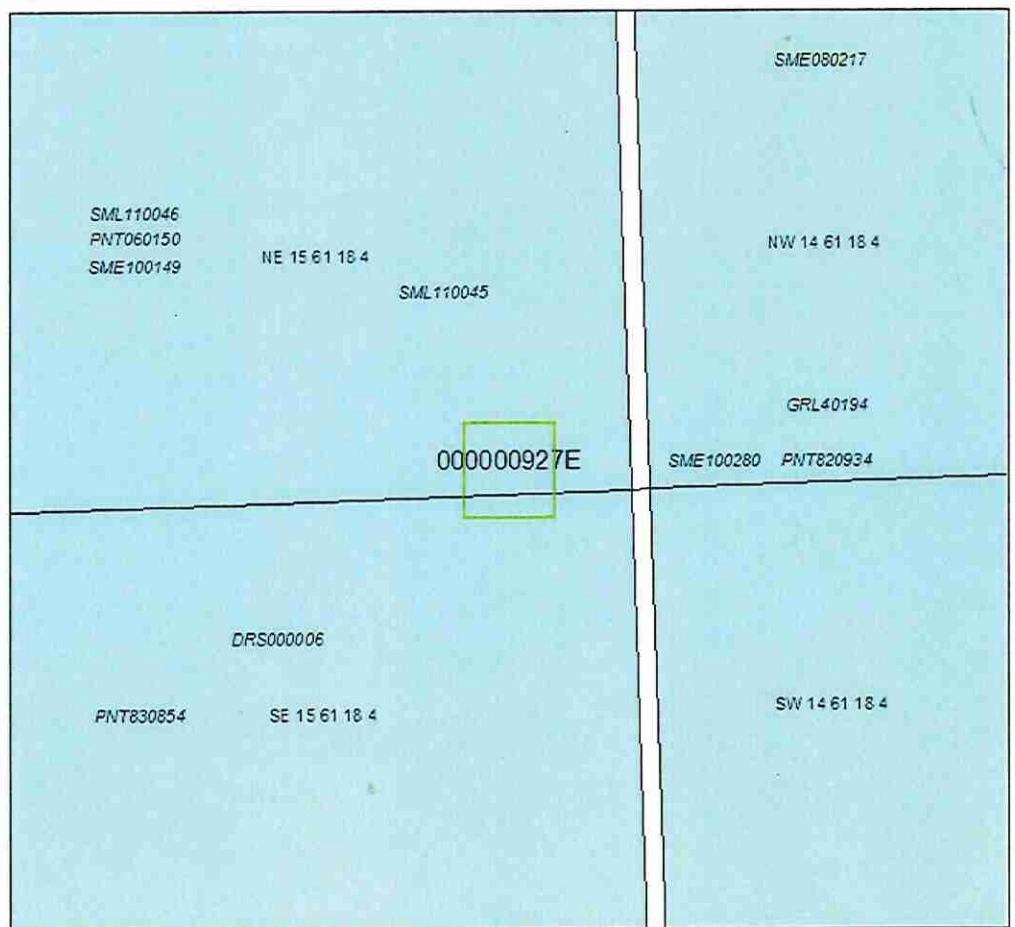
Landscape Analysis Tool Report

000000927E
Page 5 of 14

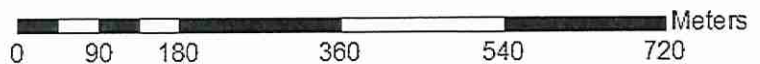


Legend

- ATS Quarter Section
- DIDS Conflicts
- DIDS Applications
- ATS Township
- Perennial Stream
- Indefinite Stream
- Recurring Stream
- Spillway
- Aquaduct
- Canal
- Ditch
- Perennial Oxbow
- Recurring Oxbow
- Canal
- Dugout
- Icefield
- Islands
- Lagoon
- Perennial Lake
- Recurring Lake
- Perennial Oxbow
- Recurring Oxbow
- Quarry
- Reservoir
- River
- Wetland



1:6,742



There are 3 LAT Reports covering the consolidated area. All reports have the same Project Name however each report applies to the SML(s) within the areas shown on the Lat Report Map. Only site specific pages are included.

Government of Alberta

**Lands Division
Sustainable Resource Development**

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SCHEDULE B

Landscape Analysis Tool Report

000000927F
Page 1 of 14

Time: 13:09 00 PM

LAT Number: 000000927F

LAT Date: 2011-07-05

Project Name: SML110046

**Project
Description:**

Disposition Type: Mineral Surface Lease (MSL)

Purpose Type: Wellsite & Compressor (WELLCOMP)

Note to Applicants:

It is the applicant's responsibility to determine if an EAP application will be submitted to SRD as "standard" or "non-standard". Applicants should complete a thorough review of EAP processes, IS&G documents and LAT Reports generated prior to making this determination.

- "Standard" interim EAP application submissions are those where the applicant chooses to meet all of the associated SRD Approval Standards identified in the LAT Report being submitted with the application.
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SCHEDULE B

Landscape Analysis Tool Report

000000927F
Page 2 of 14

Base Features

Crown Ownership:	<input type="text" value="Provincial/Untitled"/>	FMU:	<input type="text" value="LO1"/>
Green/White Area:	<input type="text" value="White Area"/>	FMA:	<input type="text"/>
Municipality:	<input type="text" value="Smoky Lake County"/>	Integrated Resource Plan (Local):	<input type="text"/>
Provincial Grazing Reserve:	<input type="text"/>		
Rocky Mountain Forest Reserve:	<input type="text"/>		

Provincial Sanctuaries

Corridor Wildlife:	<input type="text"/>	Game Bird:	<input type="text"/>
Restricted Area:	<input type="text"/>	Seasonal:	<input type="text"/>
		Wildlife:	<input type="text"/>

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SCHEDULE B

Landscape Analysis Tool Report

000000927F
Page 3 of 14

Sensitive Features

Wildlife	
Burrowing Owl Range:	<input type="text" value="No"/>
Caribou Zones:	<input type="text" value="No"/>
Colonial Nesting Birds:	<input type="text" value="No"/>
Eastern Short-horned Lizard Range:	<input type="text" value="No"/>
Endangered and Threatened Plants Ranges:	<input type="text" value="No"/>
Greater Sage Grouse Habitat and Buffer:	<input type="text" value="No"/>
Greater Sage Grouse Leks and Buffer:	<input type="text" value="No"/>
Grizzly Bear Zone:	<input type="text" value="No"/>
Key Wildlife and Biodiversity Zones:	<input type="text" value="No"/>
Mountain Goat and Sheep Areas:	<input type="text" value="No"/>
Ord's Kangaroo Rat Range:	<input type="text" value="No"/>
Other Sensitive and Endangered Species:	<input type="text" value="No"/>
Piping Plover Waterbodies:	<input type="text" value="No"/>
Sensitive Amphibians Ranges:	<input type="text" value="No"/>
Sensitive Raptor Range:	<input type="text" value="No"/>
Sensitive Snake Species Range:	<input type="text" value="No"/>
Sharp-tailed Grouse Range:	<input type="text" value="No"/>
Special Access Zone:	<input type="text" value="No"/>
Swift Fox Range:	<input type="text" value="No"/>
Trumpeter Swan Waterbodies/Watercourse:	<input type="text" value="No"/>

Water	
Proximity to Waterbody:	Industry will ensure that the Watercourse/Waterbodies standards and conditions as defined within the Integrated Standards and Guidelines are followed. To ensure these setbacks and buffers are addressed and maintained, it is recommended that a pre-site assessment occur.

Grassland and Parkland Natural Region:	
Grassland and/or Parkland Natural Region:	<input type="text" value="No"/>

Amendment to April 2012 Submission to ESRD: Consolidated CRBP SMLs 110043; 110040; 110047 Submitted to ESRD-LDM 12 October 2013

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SCHEDULE B

Landscape Analysis Tool Report

000000927F
Page 4 of 14

<u>Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Meridian</u>	<u>Sensitive Features by Quarter Section</u>
NE	15	61	18	4	
NW	15	61	18	4	

Amendment to April 2012 Submission to ESRD. Consolidated CRDF SMLs 110040, 110040, 110047. Submitted to ESRD ERM 10 October 2012

SCHEDULE B

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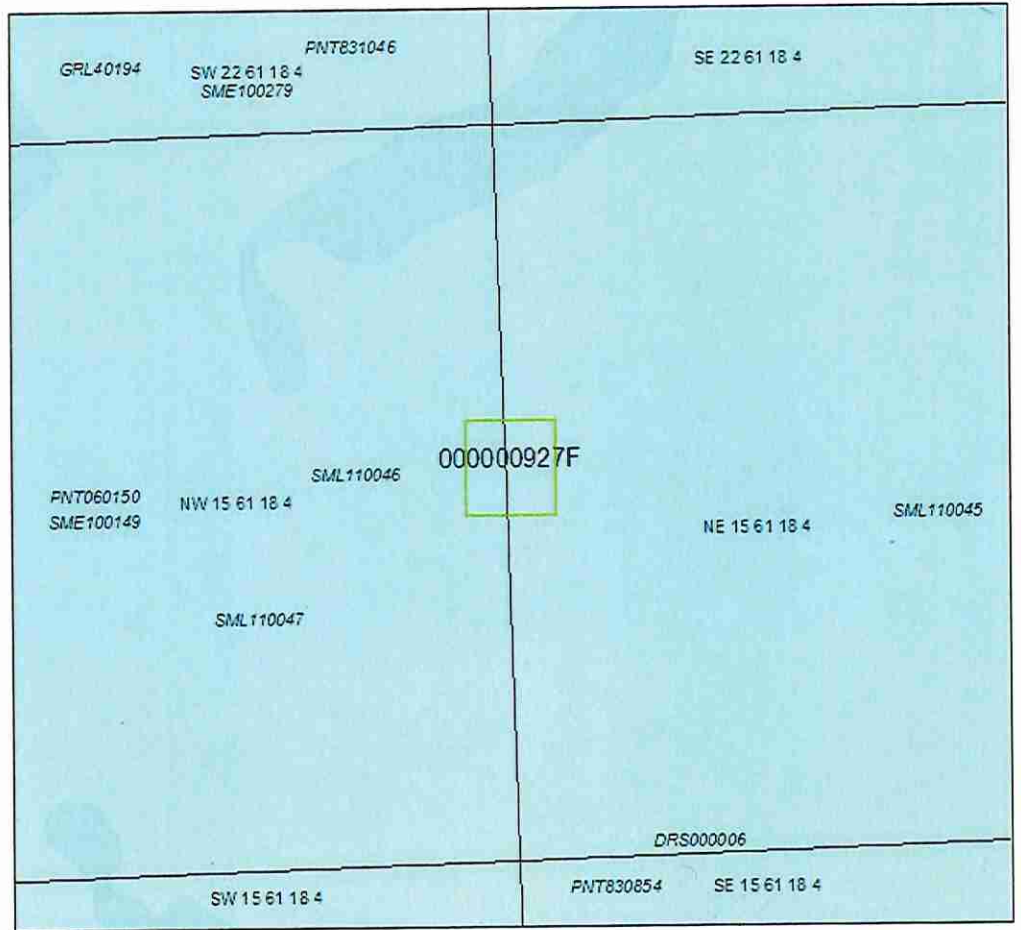
Landscape Analysis Tool Report

000000927F
Page 5 of 14

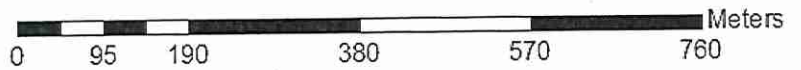


Legend

- ATS Quarter Section
- DIDS Conflicts
- DIDS Applications
- ATS Township
- Perennial Stream
- - Indefinite Stream
- - - Recurring Stream
- Spillway
- Aquaduct
- Canal
- Ditch
- Perennial Oxbow
- - - Recurring Oxbow
- Canal
- Dugout
- Icefield
- Islands
- Lagoon
- Perennial Lake
- Recurring Lake
- Perennial Oxbow
- Recurring Oxbow
- Quarry
- Reservoir
- River
- Wetland



1:6,742



Amendment to April 2012 Submission to ESD, Consolidated OMD SMLs 110045, 110046, 110047, 110048, 110049, 110050, 110051, 110052, 110053, 110054, 110055, 110056, 110057, 110058, 110059, 110060, 110061, 110062, 110063, 110064, 110065, 110066, 110067, 110068, 110069, 110070, 110071, 110072, 110073, 110074, 110075, 110076, 110077, 110078, 110079, 110080, 110081, 110082, 110083, 110084, 110085, 110086, 110087, 110088, 110089, 110090, 110091, 110092, 110093, 110094, 110095, 110096, 110097, 110098, 110099, 110100

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Government of Alberta

**Lands Division
Sustainable Resource Development**

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SCHEDULE B

Landscape Analysis Tool Report

000000927D
Page 1 of 14

Time: 13:07 09 PM

LAT Number: 000000927D

LAT Date: 2011-07-05

Project Name: SML110046

**Project
Description:**

Disposition Type: Mineral Surface Lease (MSL)

Purpose Type: Wellsite & Compressor (WELLCOMP)

Note to Applicants:

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SCHEDULE B

Landscape Analysis Tool Report

000000927D
Page 2 of 14

Base Features

Crown Ownership:	<input type="text" value="Provincial/Untitled"/>	FMU:	<input type="text" value="LO1"/>
Green/White Area:	<input type="text" value="White Area"/>	FMA:	<input type="text"/>
Municipality:	<input type="text" value="Smoky Lake County"/>	Integrated Resource Plan (Local):	<input type="text"/>
Provincial Grazing Reserve:	<input type="text"/>		
Rocky Mountain Forest Reserve:	<input type="text"/>		

Provincial Sanctuaries

Corridor Wildlife:	<input type="text"/>	Game Bird:	<input type="text"/>
Restricted Area:	<input type="text"/>	Seasonal:	<input type="text"/>
		Wildlife:	<input type="text"/>

SCHEDULE B

Landscape Analysis Tool Report

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000000927D
Page 3 of 14

Sensitive Features

Wildlife			
Burrowing Owl Range:	<input type="text" value="No"/>	Ord's Kangaroo Rat Range:	<input type="text" value="No"/>
Caribou Zones:	<input type="text" value="No"/>	Other Sensitive and Endangered Species:	<input type="text" value="No"/>
Colonial Nesting Birds:	<input type="text" value="No"/>	Piping Plover Waterbodies:	<input type="text" value="No"/>
Eastern Short-horned Lizard Range:	<input type="text" value="No"/>	Sensitive Amphibians Ranges:	<input type="text" value="No"/>
Endangered and Threatened Plants Ranges:	<input type="text" value="No"/>	Sensitive Raptor Range:	<input type="text" value="No"/>
Greater Sage Grouse Habitat and Buffer:	<input type="text" value="No"/>	Sensitive Snake Species Range:	<input type="text" value="No"/>
Greater Sage Grouse Leks and Buffer:	<input type="text" value="No"/>	Sharp-tailed Grouse Range:	<input type="text" value="No"/>
Grizzly Bear Zone:	<input type="text" value="No"/>	Special Access Zone:	<input type="text" value="No"/>
Key Wildlife and Biodiversity Zones:	<input type="text" value="No"/>	Swift Fox Range:	<input type="text" value="No"/>
Mountain Goat and Sheep Areas:	<input type="text" value="No"/>	Trumpeter Swan Waterbodies/Watercourse:	<input type="text" value="No"/>

Water	
Proximity to Waterbody:	Industry will ensure that the Watercourse/Waterbodies standards and conditions as defined within the Integrated Standards and Guidelines are followed. To ensure these setbacks and buffers are addressed and maintained, it is recommended that a pre-site assessment occur.

Grassland and Parkland Natural Region:	
Grassland and/or Parkland Natural Region:	<input type="text" value="No"/>

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SCHEDULE B

Landscape Analysis Tool Report

000000927D
Page 4 of 14

<u>Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Meridian</u>	<u>Sensitive Features by Quarter Section</u>
NE	15	61	18	4	
NW	15	61	18	4	
SE	15	61	18	4	
SW	15	61	18	4	

The LAT is not specifically designed for SMLs, however is generated and referred to here for the Base and Sensitive Features listed and the Map legend classification as generated for an MSL

SCHEDULE B

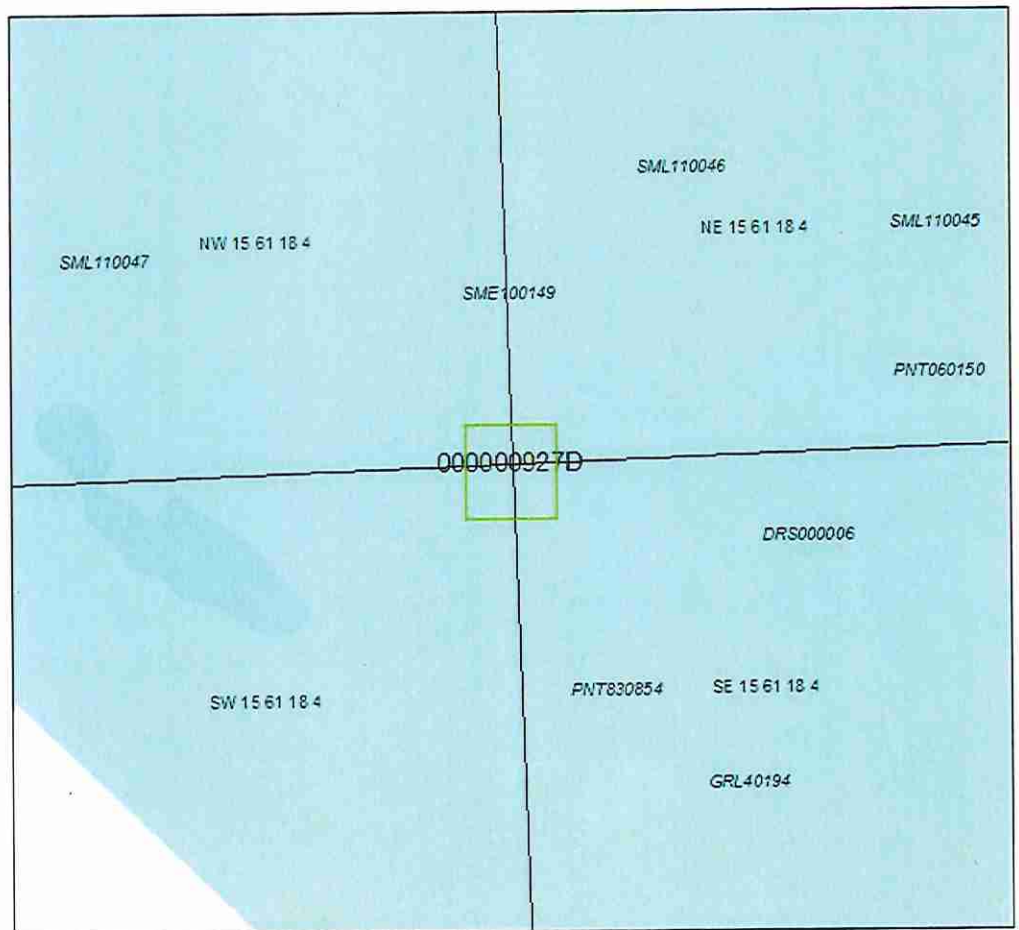
Landscape Analysis Tool Report

000000927D
Page 5 of 14

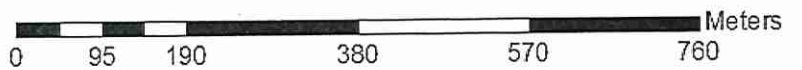


Legend

- ATS Quarter Section
- DIDS Conflicts
- DIDS Applications
- ATS Township
- Perennial Stream
- Indefinite Stream
- Recurring Stream
- Spillway
- Aquaduct
- Canal
- Ditch
- Perennial Oxbow
- Recurring Oxbow
- Canal
- Dugout
- Icefield
- Islands
- Lagoon
- Perennial Lake
- Recurring Lake
- Perennial Oxbow
- Recurring Oxbow
- Quarry
- Reservoir
- River
- Wetland



1:6,742



Consolidated Conservation and Reclamation Business Plan (April 2012, revised May 2013)
Applicants: Robert Beaverford, 541466 Alberta Ltd, and Glenn Ball
Part of Sec 15 Twp061 Rge18 W4M
SML 110045, SML 110046, SML 110047

APPENDIX D:
FNC Consultation Adequacy Decision
GRL Consent; Historical Resource Clearance

Government of Alberta ■
Sustainable Resource Development

First Nations Consultation Approvals Unit
PO Box 150, 201 Kaybob Drive Fox Creek, AB T0H 1P0
Tel: 780-622-3921 Fax: 780-622-3783
www.alberta.ca

February 15, 2012

FNC File # LLB20110380

Robert W. Beaverford
52547 Range Road 223
Sherwood Park, Alberta
T8A 4P7

Dear Mr. Torstensen:

Re: Robert W. Beaverford - SML110045

Alberta Sustainable Resource Development has reviewed the consultation summary provided by Robert W. Beaverford regarding their proposed SML110045 which includes the following lands and/or area:

- NE-15-061-18-W4Mer
- SE-15-061-18-W4Mer

Based on our review, Alberta Sustainable Resource Development has determined that consultation is adequate for SML110045 as of February 15, 2012 with the following First Nations:

- Beaver Lake Cree Nation
- Saddle Lake Cree Nation
- Whitefish (Goodfish) Lake First Nation

The proponent may proceed with application for land activity dispositions as defined within this project. This letter does not grant any authority for the proponent to make application for any use of land not identified within this letter.

Should you have any questions, please contact the undersigned at 780-622-3921.

Sincerely,



Nicole Braun, RPFT
Approvals Specialist

Alberta ■

Freedom To Create. Spirit To Achieve.

Government of Alberta ■
Sustainable Resource Development

First Nations Consultation Approvals Unit
PO Box 150, 201 Kaybob Drive Fox Creek, AB T0H 1P0
Tel: 780-622-3921 Fax: 780-622-3783
www.alberta.ca

February 15, 2012

FNC File # LLB20110381

541466 Alberta Ltd.
PO Box 211
Boyle, Alberta
T0A 0M0

Dear Mr. Torstensen:

Re: 541466 Alberta Ltd. - SML110046

Alberta Sustainable Resource Development has reviewed the consultation summary provided by 541466 Alberta Ltd. regarding their proposed SML110046 which includes the following lands and/or area:

- NE-15-061-18-W4Mer
- NW-15-061-18-W4Mer

Based on our review, Alberta Sustainable Resource Development has determined that consultation is adequate for SML110046 as of February 15, 2012 with the following First Nations:

- Beaver Lake Cree Nation
- Saddle Lake Cree Nation
- Whitefish (Goodfish) Lake First Nation

The proponent may proceed with application for land activity dispositions as defined within this project. This letter does not grant any authority for the proponent to make application for any use of land not identified within this letter.

Should you have any questions, please contact the undersigned at 780-622-3921.

Sincerely,



Nicole Braun, RPFT
Approvals Specialist



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Government of Alberta ■
Sustainable Resource Development

First Nations Consultation Approvals Unit
PO Box 150, 201 Kaybob Drive Fox Creek, AB T0H 1P0
Tel: 780-622-3921 Fax: 780-622-3783
www.alberta.ca

February 16, 2012

FNC File # LLB20110382

Glenn Ball
133-53046 Range Road 222
Ardrossan, Alberta
T8E 2E8

Dear Mr. Torstensen:

Re: Glenn Ball - SML110047

Alberta Sustainable Resource Development has reviewed the consultation summary provided by Glenn Ball regarding their proposed SML110047 which includes the following lands and/or area:

- NE-15-061-18-W5Mer
- SE-15-061-18-W5Mer
- SW-15-061-18-W5Mer


Based on our review, Alberta Sustainable Resource Development has determined that consultation is adequate for SML110047 as of February 16, 2012 with the following First Nations:

- Beaver Lake Cree Nation
- Saddle Lake Cree Nation
- Whitefish (Goodfish) Lake First Nation

The proponent may proceed with application for land activity dispositions as defined within this project. This letter does not grant any authority for the proponent to make application for any use of land not identified within this letter.

Should you have any questions, please contact the undersigned at 780-622-3921.

Sincerely,



Nicole Braun, RPFT
Approvals Specialist



Freedom To Create. Spirit To Achieve.

Kevin Wawrynychuk
Box 458
Smokey Lake, Alta.
T0A 3C0
780-656-2263

December 03 2011

To Whom It May Concern: Alberta Sustainable Resource Development


Land Location: NE15-61-18-W4 AND SE15-61-18-W4


Grant by GRL Lease Holder (GRL 40194)

The Grazing Lease Holder gives consent to remove

77.31 acres/ 31.29 hectares from GRL # 40194 for the sole purpose of

SML # 110045 for the sand and gravel extraction.


Kevin Wawrynychuk


Witness: MARLENE DIACHYSHYN

Date: DEC. 1 / 2011

Date: DEC. 1, 2011

Kevin Wawrynchuk
Box 458
Smokey Lake, Alta.
T0A 3C0
780-656-2263

December 03 2011

To Whom It May Concern: Alberta Sustainable Resource Development

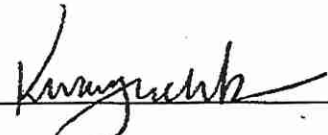
Land Location: NW15-61-18-W4 AND NE15-61-18-W4

Grant by GRL Lease Holder (GRL 40194)


The Grazing Lease Holder gives consent to remove

 69.83 acres/ 28.26 hectares from GRL # 40194 for the sole purpose of

SML # 110046 for the sand and gravel extraction.



Kevin Wawrynchuk



Witness: MARLENE DIACHYSHYN

Date: DEC 1 / 2011

Date: DEC. 1, 2011

Kevin Wawrynychuk
Box 458
Smokey Lake, Alta.
T0A 3C0
780-656-2263

December 03 2011

To Whom It May Concern: Alberta Sustainable Resource Development

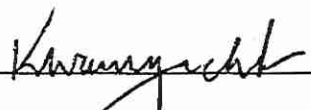
Land Location: NW15-61-18-W4 AND SW15-61-18-W4


Grant by GRL Lease Holder (GRL 40194)

The Grazing Lease Holder gives consent to remove

79.31 acres/ 32.10 hectares from GRL # 40194 for the sole purpose of

SML # 110047 for the sand and gravel extraction.


Kevin Wawrynychuk


Witness: MARLENE DIACHYSHYN

Date: DEC. 1 / 2011

Date: DEC. 1, 2011



Application for *Historical Resources Act* Clearance

Activity Administration

Date Received: September 17, 2013

HRM File: 4650-13-0086

Purpose of Application:

All New Lands

Additional Lands

No New Lands

Project Category:

Aggregate Extraction (4650)

Project Type:

Sand / Gravel Extraction

ESRI Shapefiles are attached (yes/no) No

Approximate Project Area (ha) 31.24ha

Mineral Surface Lease (MSL) Number(s) SML110045

Project Identifier:

SML110045 NE & SE 15-61-18-W4M

Additional Identifier(s):

Key Contact:

Mr. Vernon Torstensen
 Address: Suite 128, 11230-104 Ave NW
 Postal Code: T5K 2X8
 E-mail: AggregateAB@torland.ca

Affiliation: Tor Land Resource Inc.
 City / Province: Edmonton, AB
 Phone: (780) 990-0012
 Fax: (780) 990-0280
 Your File Number: SML110045

Is the Proponent the same as the Key Contact? Yes No

If no, complete the following:

Proponent: SML holder R. Beaverford. Operator JLG Ball
 Address: Box 302
 Postal Code: TOA 0M0
 E-mail: lball@jlgball.com

Contact Name: (Operator Pres. JLG Ball Enterprises)Lisa Ball
 City / Province: Boyle, AB
 Phone: (780) 689-2395
 Fax: () -

Proposed Development Area

Proposed Development Area					Land Ownership			
MER	RGE	TWP	SEC	LSD List	FRH	SA	CU	CT
4	18	61	15	8,9,16	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Listed Lands Affected

MER	RGE	TWP	SEC	LSD	HRV	Category
-----	-----	-----	-----	-----	-----	----------

Comments: Remains treed except cutlines have been cleared for testing.

Historical Resources Impact Assessment:

For archaeological resources:

Has a HRIA been conducted? Yes No

Permit Number (if applicable):

For palaeontological resource:

Has a HRIA been conducted? Yes No

Historical Resources Act clearance is granted subject to Section 31 of the Resources Act, "a person who discovers an historic resource in the course of making an excavation for a purpose other than for the purpose of seeking historic resources shall forthwith notify the minister of the discovery". The chance discovery of historical resources is to be reported to the contacts identified within the listing.



October 02, 2013

Date



Application for *Historical Resources Act* Clearance

Activity Administration	
Date Received: September 17, 2013	HRM File: 4650-13-0087

Purpose of Application:	<input checked="checked" type="checkbox"/> All New Lands	<input type="checkbox"/> Additional Lands	<input type="checkbox"/> No New Lands
-------------------------	--	---	---------------------------------------

Project Category: Aggregate Extraction (4650)

Project Type:	<input checked="checked" type="checkbox"/> Sand / Gravel Extraction	ESRI Shapefiles are attached (yes/no)	No
		Approximate Project Area (ha)	28.38ha
		Mineral Surface Lease (MSL) Number(s)	SML110046

Project Identifier:	SML110046 NW & NE 15-61-18-W4M
Additional Identifier(s):	

Key Contact: Mr. Vernon Torstensen Address: Suite 128, 11230-104 Ave NW Postal Code: T5K 2X8 E-mail: AggregateAB@torland.ca	Affiliation: Tor Land Resource Inc. City / Province: Edmonton, AB Phone: (780) 990-0012 Fax: (780) 990-0280 Your File Number: SML110046
---	--

Is the Proponent the same as the Key Contact?	<input type="checkbox"/> Yes	<input checked="checked" type="checkbox"/> No	If no, complete the following:
Proponent:	SML holder 541466 Alberta Ltd.. Operator JLG Ball		Contact Name: (Operator Pres. JLG Ball Enterprises)Lisa Ball
Address:	Box 302	City / Province:	Boyle, AB
Postal Code:	TOA 0M0	Phone:	(780) 689-2395
E-mail:	lball@jlgball.com	Fax:	() -

Proposed Development Area					Land Ownership			
MER	RGE	TWP	SEC	LSD List	FRH	SA	CU	CT
4	18	61	15	10,11,14,15	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="checked" type="checkbox"/>	<input type="checkbox"/>

Listed Lands Affected							
MER	RGE	TWP	SEC	LSD	HRV	Category	

Comments: Remains treed except cutlines have been cleared for testing.

Historical Resources Impact Assessment:

For archaeological resources:

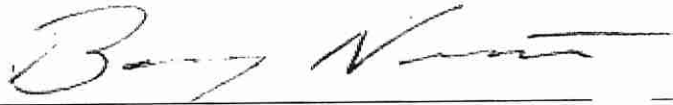
Has a HRIA been conducted? Yes No

Permit Number (if applicable):

For palaeontological resource:

Has a HRIA been conducted? Yes No

Historical Resources Act clearance is granted subject to Section 31 of the Resources Act, "a person who discovers an historic resource in the course of making an excavation for a purpose other than for the purpose of seeking historic resources shall forthwith notify the minister of the discovery". The chance discovery of historical resources is to be reported to the contacts identified within the listing.



October 02, 2013

Date

Amendment to April 2012 Submission to ESRD: Consolidated CRDP SIMLS 110043, 110046, 110047 Submitted to ESRD-LDM 19 October 2013



Application for *Historical Resources Act* Clearance

Activity Administration

Date Received: September 17, 2013

HRM File: 4650-13-0088

Purpose of Application: All New Lands Additional Lands No New Lands

Project Category: Aggregate Extraction (4650)

Project Type: Sand / Gravel Extraction
 ESRI Shapefiles are attached (yes/no) No
 Approximate Project Area (ha) 32.19ha
 Mineral Surface Lease (MSL) Number(s) SML110047

Project Identifier: SML110047 NW & SW 15-61-18-W4M

Additional Identifier(s):

Key Contact: Mr. Vernon Torstensen	Affiliation: Tor Land Resource Inc.
Address: Suite 128, 11230-104 Ave NW	City / Province: Edmonton, AB
Postal Code: T5K 2X8	Phone: (780) 990-0012
E-mail: AggregateAB@torland.ca	Fax: (780) 990-0280
	Your File Number: SML110047

Is the Proponent the same as the Key Contact? Yes No If no, complete the following:

Proponent: SML holder Glenn Ball. Operator JLG Ball	Contact Name: (Operator Pres. JLG Ball Enterprises)Lisa Ball
Address: Box 302	City / Province: Boyle, AB
Postal Code: TOA 0M0	Phone: (780) 689-2395
E-mail: lball@jlgball.com	Fax: () -

Proposed Development Area					Land Ownership			
MER	RGE	TWP	SEC	LSD List	FRH	SA	CU	CT
4	18	61	15	6,7,11,12,13,14	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Listed Lands Affected							
MER	RGE	TWP	SEC	LSD	HRV	Category	

Comments: Remains treed except cutlines have been cleared for testing.

Historical Resources Impact Assessment:

For archaeological resources:

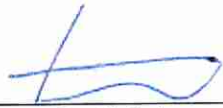
Has a HRIA been conducted? Yes No

Permit Number (if applicable):

For palaeontological resource:

Has a HRIA been conducted? Yes No

Pursuant to Section 37(2) of the *Historical Resources Act*, a Historical Resources Impact Assessment (HRIA) report is required for all or portions of those activities described on this application and its attached plan(s)/sketch(es). The HRIA is to be prepared in accordance with the instructions outlined in the attached Schedule A.



David Link

October 07, 2013

Date

HISTORICAL RESOURCES ACT (HRA) REQUIREMENTS

**SML HOLDER GLENN BALL. OPERATOR JLG BALL
SML110047 NW & SW 15-61-18-W4M
SAND / GRAVEL EXTRACTION**

**HRA REQUIREMENTS PROJECT FILE: 4650-13-0088
(Schedule "A")**

For the purposes of this schedule, SML holder Glenn Ball, Operator JLG Ball shall be referred to as the "Proponent" and SML110047 NW & SW 15-61-18-W4M shall be referred to as the "Project".

1.0 ARCHAEOLOGICAL RESOURCES

The potential for the Project to affect archaeological resources is high.

1.1 Historic Resources Impact Assessment

Pursuant to Section 37(2) of the *Historical Resources Act (HRA, or Act)*, a Historic Resources Impact Assessment (HRIA) for archaeological resources and any work resulting from this assessment is to be conducted on behalf of the Proponent by an archaeologist qualified to hold an Archaeological Research Permit within the Province of Alberta. In order to conduct the HRIA, the archaeological consultant must submit "An Application for an Archaeological Research Permit - Mitigative Research Project" to the Historic Resources Management Branch, Heritage Division, Alberta Culture. Please allow ten working days for the permit to be processed. An approved permit must be issued prior to the initiation of any archaeological field investigations.

1.1.1 Alberta Regulation 254/2002

Archaeological investigations conducted under permit in Alberta are subject to the conditions stated within Alberta Regulation 254/2002, *Archaeological and Palaeontological Research Permit Regulation*, conditions set forth in the approved permit, and any other conditions that the Minister imposes under Section 30 of the Act.

1.1.2 Contacting the Archaeological Survey

For further information regarding the acquisition of a Permit to Excavate Archaeological Resources and/or archaeological consultants obligations under Alberta Regulation 254/2002, please contact Martina Purdon, Head, Archaeological Information & Regulatory Approvals at 780-431-2331 (toll-free 310-0000) or by e-mail at martina.purdon@gov.ab.ca.

SCHEDULE A

4650-13-0088

1.1.3 Coverage

The HRIA must include all areas of high archaeological potential within the Project area with a focus on the prominent valley margins.

1.1.4 Timing

The HRIA is to be carried out prior to the initiation of any land surface disturbance activities under snow-free, unfrozen ground conditions.

1.1.5 Deep Testing

A deep testing program is required in areas of significant sedimentation.

1.1.6 Location of HRIA studies

Within the final report, and any interim report(s), the location of pedestrian surveys, deep testing program(s) and the location and number of shovel tests must be discussed and clearly illustrated.

1.2 Reporting the results of archaeological resources HRIA

1.2.1 Submission of “Archaeological Site Inventory Data” forms

The Proponent’s archaeological consultant is required to submit “Archaeological Site Inventory Data” forms for each prehistoric and historic archaeological site recorded or re-examined during the conduct of the HRIA. While the discovery of a site must be reported within 30 days following the date of discovery, site data forms are to be submitted within 30 days of the date on which the permit period ends, or at the same time or prior to the submission of any interim report or the final report, whichever comes first.

1.2.2 Submission of HRIA final report

The final report must be submitted within 180 days after the expiration of the permit, or at least six weeks prior to the anticipated conduct of land surface disturbance activities, whichever comes first. Copies of the final report, and any interim reports, are to be submitted to the Historic Resources Management Branch, Heritage Division, Alberta Culture, Old St. Stephen’s College, 8820 – 112 Street, Edmonton, Alberta, T6G 2P8.

1.2.3 Submission of interim report(s)

Should the Proponent find it necessary to obtain *Historical Resources Act* clearance for portions or all of the lands affected by the Project prior to the submission of the final report, Alberta Culture will consider accepting the submission of an interim report, or reports.

2.0 REPORTING THE DISCOVERY OF HISTORIC RESOURCES

During the conduct of historic resources studies, a consultant may encounter historic resources that are not the subject of their field of expertise. Under this circumstance, the consultant must follow the instructions included in Attachment 1, *Standard Requirements under the Historical Resources Act, Reporting the Discovery of Historic Resources*.

3.0 FURTHER SALVAGE, PRESERVATIVE OR PROTECTIVE MEASURES

Based upon the results of the HRIA reporting the discovery of archaeological resources, palaeontological resources, historic period sites and/or Aboriginal Traditional Use site(s), the Proponent may be ordered to undertake further salvage, preservative or protective measures or take any other actions that the Minister responsible for the *Historical Resources Act* considers necessary.

4.0 REQUESTS FOR HISTORICAL RESOURCES ACT CLEARANCE

Based upon the results of the HRIA, Alberta Culture may consider granting *Historical Resources Act* clearance to all or portions of the Project area. In the final report, and any interim report(s), the Proponent's consultant(s) must clearly identify and illustrate those portions of the Project area for which *Historical Resources Act* clearance is requested.

5.0 PRE-EMINENCE OF CONDITIONS OF HRA REQUIREMENTS

Should the contents of conditions included within this schedule be at variance with any instructions associated with the *Listing of Historic Resources* and/or the permit application, the conditions of the schedule take precedence. Following instructions as outlined in this schedule should result in the granting of *Historical Resources Act* approval and/or the issuance of requirements regarding further historic resources studies in a timely manner.

6.0 COMPLIANCE IS MANDATORY

These conditions shall be considered directions of the Minister of Alberta Culture under the *Act*. The proponent and agents acting on behalf of the Proponent are required to become knowledgeable of the conditions. Failure to abide by the conditions will result in *Historical Resources Act* approval not being granted, or delayed.

Consolidated Conservation and Reclamation Business Plan (April 2012, revised May 2013)
Applicants: Robert Beaverford, 541466 Alberta Ltd, and Glenn Ball
Part of Sec 15 Twp061 Rge18 W4M
SML 110045, SML 110046, SML 110047

APPENDIX E: Survey Plan

PLAN
SHOWING SURVEY OF
SML 110045
(For Surface Material Lease)

WITHIN
N.E. 1/4 & S.E. 1/4 Sec. 15
Twp. 61 - Rge. 18 - W.4 Mer

ROBERT BEAVERFORD
SMOKY LAKE COUNTY
ALBERTA

SCALE 1:5000 D.C. GILLMORE, ALS
2012



ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF.

AREA DEALT WITH BY THIS PLAN BOUNDED THUS AND CONTAINS 31.24 ha. . . .

COUNTERSUNK IS DENOTED THUS. . . . c.s.
EAST IS DENOTED THUS. . . . E.
FOUND IRON POST IS DENOTED THUS. . . . Fd.I.
FOUND NO MARK IS DENOTED THUS. . . . Fd. No Mk.
HECTARE IS DENOTED THUS. . . . ha
MARKER POST IS DENOTED THUS. . . . Mp.
MARKED IS DENOTED THUS. . . . Mkd.
MERIDIAN IS DENOTED THUS. . . . Mer.
MOUND IS DENOTED THUS. . . . M.
NORTH IS DENOTED THUS. . . . N.
NORTH AMERICAN DATUM IS DENOTED THUS. . . . NAD
PI (4 FOUND) IS DENOTED THUS. . . . PI
PIT IS DENOTED THUS. . . . Pit.
RANGE IS DENOTED THUS. . . . R/W
RIGHT OF WAY IS DENOTED THUS. . . . R/W
SECTION IS DENOTED THUS. . . . S.
SOUTH IS DENOTED THUS. . . . S.
STATUTORY IRON POST FOUND SHOWN THUS. . . . ●
STATUTORY IRON POST PLANTED SHOWN THUS. . . . ○
UNIVERSAL TRANSVERSE MERCATOR IS DENOTED THUS. . . . UTM
WEST IS DENOTED THUS. . . . W.

PLAN DATUM

THE REFERENCE POINT IS DERIVED FROM PUBLISHED AINS COORDINATES.

HORIZONTAL DATUM NAD83
PROJECTION UTM
DESCRIPTION Fd.I. ● N.E.15-61-18-4, DENOTED THUS ● RP
6016133.922
NORTHING 395772.129
EASTING 0.999634
COMBINED SCALE FACTOR 111' W.
CENTRAL MERIDIAN

I, Duncan C. Gillmore, Alberta Land Surveyor, solemnly declare that the survey represented by this plan was made under my personal supervision, the survey was conducted in accordance with the provisions of the Survey Act, the provisions of the Survey Regulations and the provisions of the Survey Act, and that this plan is true and correct, and is prepared in accordance with the provisions of the Public Lands Act, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force as if made under oath.

Declared before me at 9:00 am
this 21st day of March, 2012.

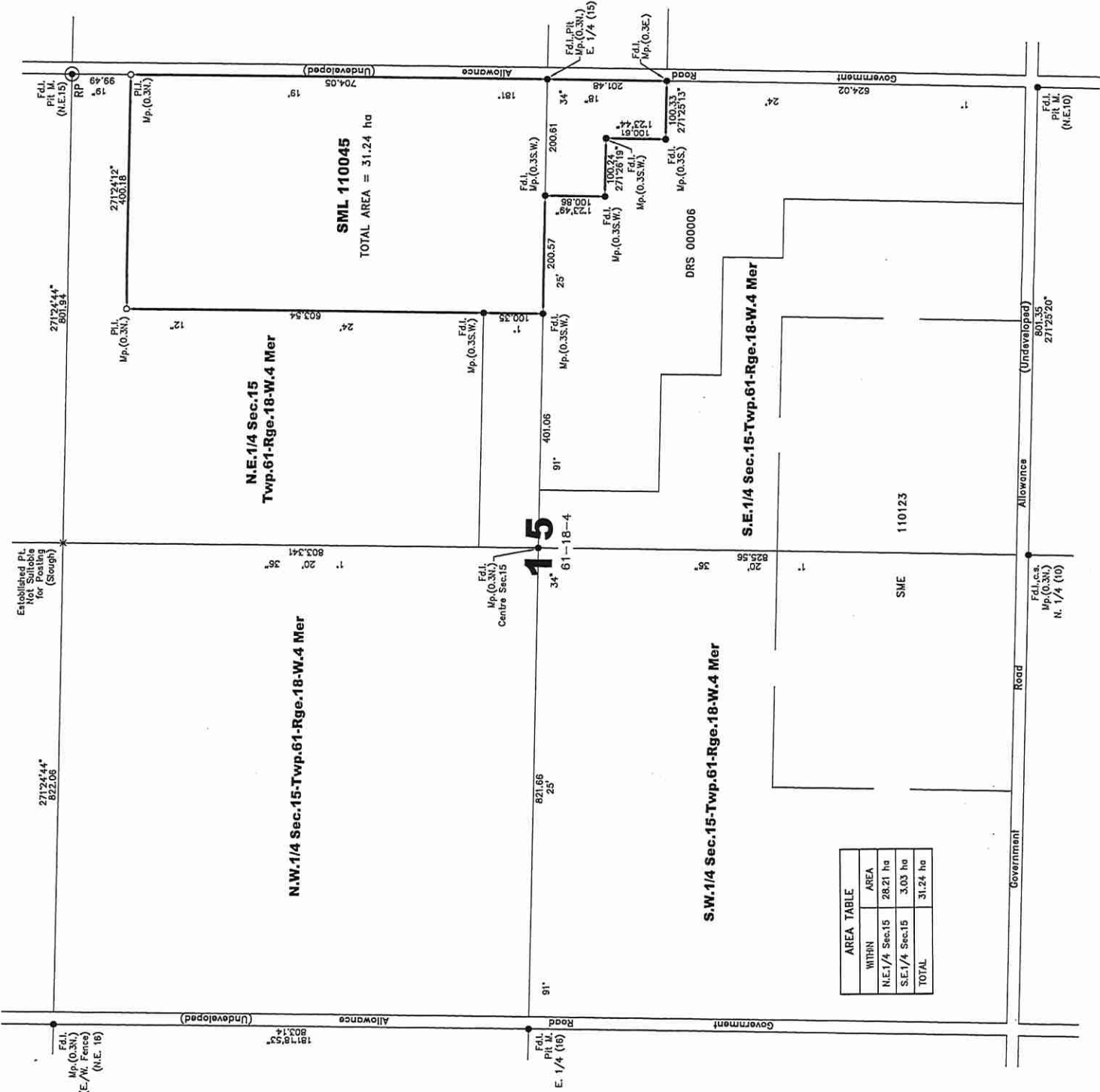
Duncan C. Gillmore
ALBERTA LAND SURVEYOR

Pearl Gillmore
A Commissioner For Oaths
in and for the Province of Alberta
Commission expires on August 17, 2012



GILLMORE SURVEYS (ARCTIC) LTD
WS 12-15094 (1) GSAL 1183-44

FILE NO. SML 110045



AREA TABLE	
WITHIN	AREA
N.E. 1/4 Sec. 15	28.21 ha
S.E. 1/4 Sec. 15	3.03 ha
TOTAL	31.24 ha

Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML's 110045, 110046, 110047

SML Number	Legal Land Description	Area of Lease	Lease Holder
110045	Within NW15-061-18-W4M and SE15-061-18-W4M	31.24 ha (76.66 ac)	Robert Beareford
110046	Within NW15-061-18-W4M and NE15-061-18-W4M	28.38 ha (70.13 ac)	541468 Alberta Ltd
110047	Within NW15-061-18-W4M and SW15-061-18-W4M	32.19 ha (79.54 ac)	Gern Ball

Dwg. No. 5
DRAWINGS
 Dwg. No. 1 : Site Location
 Dwg. No. 2 : Existing Site/Planned Development
 Dwg. No. 2A : Existing Site/Planned Development
 Dwg. No. 2B : 2012 Test Data
 Dwg. No. 3 : Development Sequencing
 Dwg. No. 4A : Cross-Section Profiles
 Dwg. No. 4B : Cross-Section Profiles
 Dwg. No. 4C : Cross-Section Profiles
 Dwg. No. 5 : Pit Face Profiles
 Dwg. No. 6 : Planned Reclamation

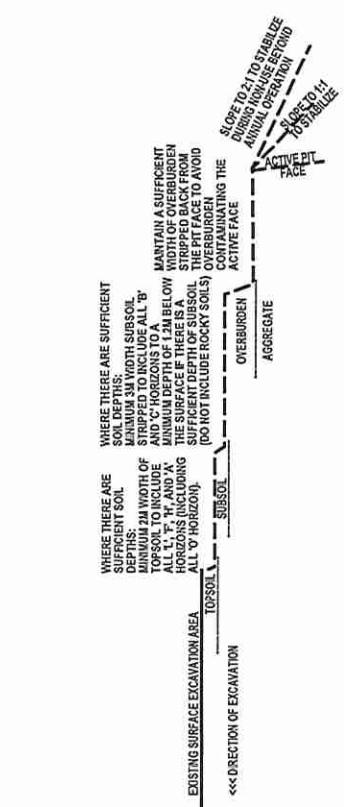
LEGEND:

TOR Land Resource Inc.
 Suite 108, 11339-104 Ave.
 Edmonton AB T5K 2P8
 Tel: 780 550 0012 (Ext)
 403 804 8766 (Cell)
 Mob: 780 914 8531
 Fax: 780 550 0290

Drawn by: M. Patseyan	Revision No.	Revision	Date
Checked by: VM. Torstensan			
March 2011			
PRO: 00000			
Revisions:			

PROFILE -- ACTIVE PIT FACE

- AS THE ACTIVE PIT FACE APPROACHES PROPERTY, APPROVAL, AND RIGHT-OF-WAY BOUNDARIES:
- A MINIMUM 3M UNDISTURBED BUFFER BETWEEN THE EXCAVATION AND RIGHT-OF-WAYS AND WELL SITE LEASES.
- AN ADDITIONAL 2M BUFFER WHERE THERE ARE TREE BOUNDARIES OR BUFFERS MAY BE LEFT UNEXCAVATED (2M CLEARED BUT UNSTRIPPED) TO PROTECT THE TREE ROOT ZONE OF THE UNDISTURBED BUFFER
- SUFFICIENT UNEXCAVATED GRAVEL TO CONTOUR TO THE REQUIRED RECLAIMED SLOPES (SEE BELOW, "PROFILE - RECLAIMED SLOPES").



PROFILE -- RECLAIMED SLOPES

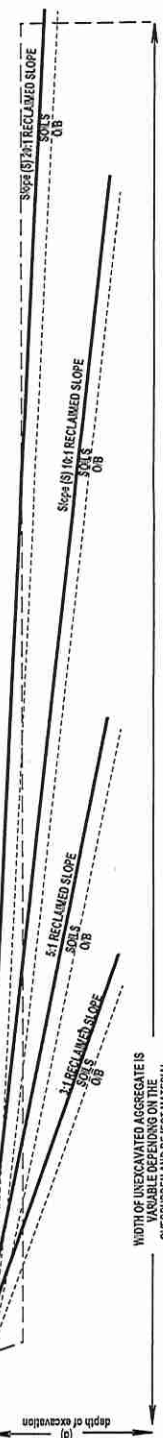
FOR CONSTRUCTION OF SLOPES OF THE RECLAIMED SITE:

WHERE EXCESS OVERBURDEN MATERIAL AND REJECT IS NOT AVAILABLE TO CONSTRUCT THE REQUIRED RECLAIMED SLOPE
 -- AGGREGATE MATERIAL LEFT UNEXCAVATED FOR A HORIZONTAL DISTANCE OF [SLOPE RATIO / 2] TIMES THE DEPTH OF THE EXCAVATION WILL PROVIDE SUFFICIENT AGGREGATE MATERIAL FOR CONSTRUCTING THE SLOPE.

Examples:
 For a slope (S) of 10:1, the width of the unexcavated area between the final pit face and the top of the constructed slope is
 $[w] = [S] \times [d]$

- for a slope of 3:1 >> 1.5d;
- for a slope of 4:1 >> 2.0d;
- for a slope of 5:1 >> 2.5d;
- for a slope of 10:1 >> 5.0d.

WHERE SOIL DEPTHS ARE AVAILABLE, RECLAIMED SLOPES:
 -- SUBSOIL AND C' HORIZONS TO A MINIMUM DEPTH OF TOPSOIL/SUBSOIL OF 1.2M
 -- OR IF TOPSOIL/SUBSOIL IS NOT AVAILABLE TO A DEPTH OF 1.2M RECLAIM WITH A MINIMUM DEPTH OF 15%SS+0.0B OF 1.2M WHERE MATERIAL IS AVAILABLE (WHERE LESS THAN 1.2M AVAILABLE, THEN MAXIMUM AVAILABLE)



width of unexcavated area (w) = S X d

SCALE: VERTICAL TO HORIZONTAL 1:1

PLAN
 SHOWING SURVEY OF
SML 110046
 WITHIN
N. 1/2 Sec. 15
Twp. 61 - Rge. 18 - W.4 Mer
541466 ALBERTA LTD.
SMOKY LAKE COUNTY
ALBERTA
2012
 D.C. GILLMORE, ALS



ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF.
 AREA DEALT WITH BY THIS PLAN BOUNDED THUS AND CONTAINS 28.38 ha . . .

COUNTERSUNK IS DENOTED THUS . . . c.s.
 COUNTERSUNK IS DENOTED THUS . . . c.s.
 IS DENOTED THUS . . . c.s.
 FOUND NO MARK IS DENOTED THUS . . . Fd.L.
 FOUND NO MARK IS DENOTED THUS . . . Fd.L.
 HECTARE IS DENOTED THUS . . . Fd. No. Hc.
 MARKER POST IS DENOTED THUS . . . Mp.
 MARKER POST IS DENOTED THUS . . . Mp.
 MERIDIAN IS DENOTED THUS . . . Mer.
 MOUND IS DENOTED THUS . . . M.
 NORTH IS DENOTED THUS . . . N.
 NORTH AMERICAN DATUM IS DENOTED THUS . . . NAD
 PIT (4 FOUND) IS DENOTED THUS . . . PIT
 POINT IS DENOTED THUS . . . Pt.
 RANGE IS DENOTED THUS . . . Rge.
 RIGHT OF WAY IS DENOTED THUS . . . R/W
 SECTION IS DENOTED THUS . . . Sec.
 SOUTH IS DENOTED THUS . . . S.
 STATUARY IRON POST FOUND SHOWN THUS . . . S.I.P.
 UNIVERSAL TRANSVERSE MERCATOR IS DENOTED THUS . . . UTM
 WEST IS DENOTED THUS . . . W.

PLAN DATUM
 THE REFERENCE POINT IS DERIVED FROM PUBLISHED AITS COORDINATES.
 HORIZONTAL DATUM NAD83
 PROJECTION UTM
 DESCRIPTION Fd.L. N.E.15-61-18-4, DENOTED THUS . RP
 NORTHING 6016133.922
 EASTING 395772.129
 COMBINED SCALE FACTOR 0.999634
 CENTRAL MERIDIAN 111° W.

I, Dimcon C. Gillmore, Alberta Land Surveyor, solemnly declare that the survey represented by this plan was made under my personal supervision, the survey was made in accordance with good surveying practices and in accordance with the provisions of the Surveys Act, the survey was performed between the dates of the 25th day of February, and 28th day of February, 2012, and that this plan is true and correct in accordance with the provisions of the Surveys Act, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force as if made under oath.

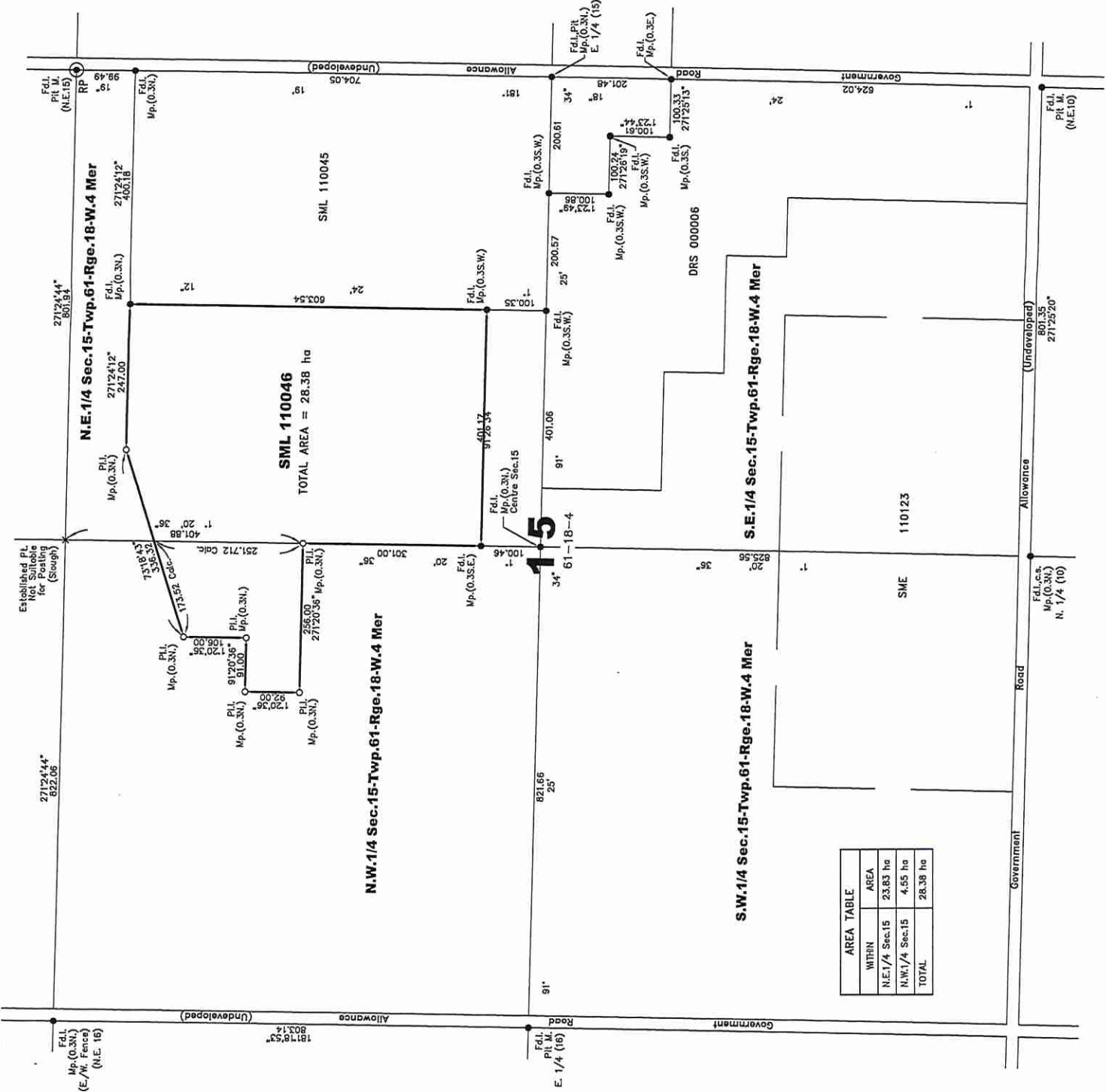
Declared before me at 9:00 am
 this 21st day of March, 2012.



Paul J. Gillmore
 ALBERTA LAND SURVEYOR

Pearl Gillmore
 A Commissioner For Oaths
 in and for the Province of Alberta
 Commission expires on August 17, 2012

GILLMORE SURVEYS (ARCTIC) LTD
 WS 12-15094 (2) GSAL 1163-44
FILE NO. SML 110046



PLAN
SHOWING SURVEY OF
SML 110047
(For Surface Material Lease)

WITHIN
S. 1/2 & N.W. 1/4 Sec. 15
Twp. 61 - Rge. 18 - W.4 Mer.

GLEN BALL
SMOKY LAKE COUNTY
ALBERTA
2012
D.C. GILLMORE, ALS



ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF.
AREA DEALT WITH BY THIS PLAN BOUNDED THUS AND CONTAINS 32.19 ha. . .

CALCULATED IS DENOTED THUS Calc.
COUNTERSINK IS DENOTED THUS c.s.
EAST IS DENOTED THUS E.
FOUND IRON POST IS DENOTED THUS Fd.I.
HORIZONTAL DATUM IS DENOTED THUS H.D.
MARKER POST IS DENOTED THUS M.P.
MARKER POST IS DENOTED THUS M.P.
MERIDIAN IS DENOTED THUS Mer.
MOUND IS DENOTED THUS M.
NORTH IS DENOTED THUS N.
NORTH AMERICAN DATUM IS DENOTED THUS NAD
PIT (4 FOUND) IS DENOTED THUS PIT
POINT IS DENOTED THUS Pt.
RANGE IS DENOTED THUS Rge.
RIGHT OF WAY IS DENOTED THUS R/W
SECTION IS DENOTED THUS Sec.
SOUTH IS DENOTED THUS S.
STATUTORY IRON POST FOUND SHOWN THUS S.I.P.F.
STATUTORY IRON POST PLANTED SHOWN THUS S.I.P.P.
UNIVERSAL TRANSVERSE MERCATOR IS DENOTED THUS UTM
WEST IS DENOTED THUS W.

PLAN DATUM

THE REFERENCE POINT IS DERIVED FROM PUBLISHED ATCS COORDINATES.
HORIZONTAL DATUM NAD83
PROJECTION UTM
DESCRIPTION Fd.I. ● N.E.15-61-18-4, DENOTED THUS ● RP
NORTHING 6016135.922
EASTING 398772.129
COMBINED SCALE FACTOR 0.999634
CENTRAL MERIDIAN 111° W.

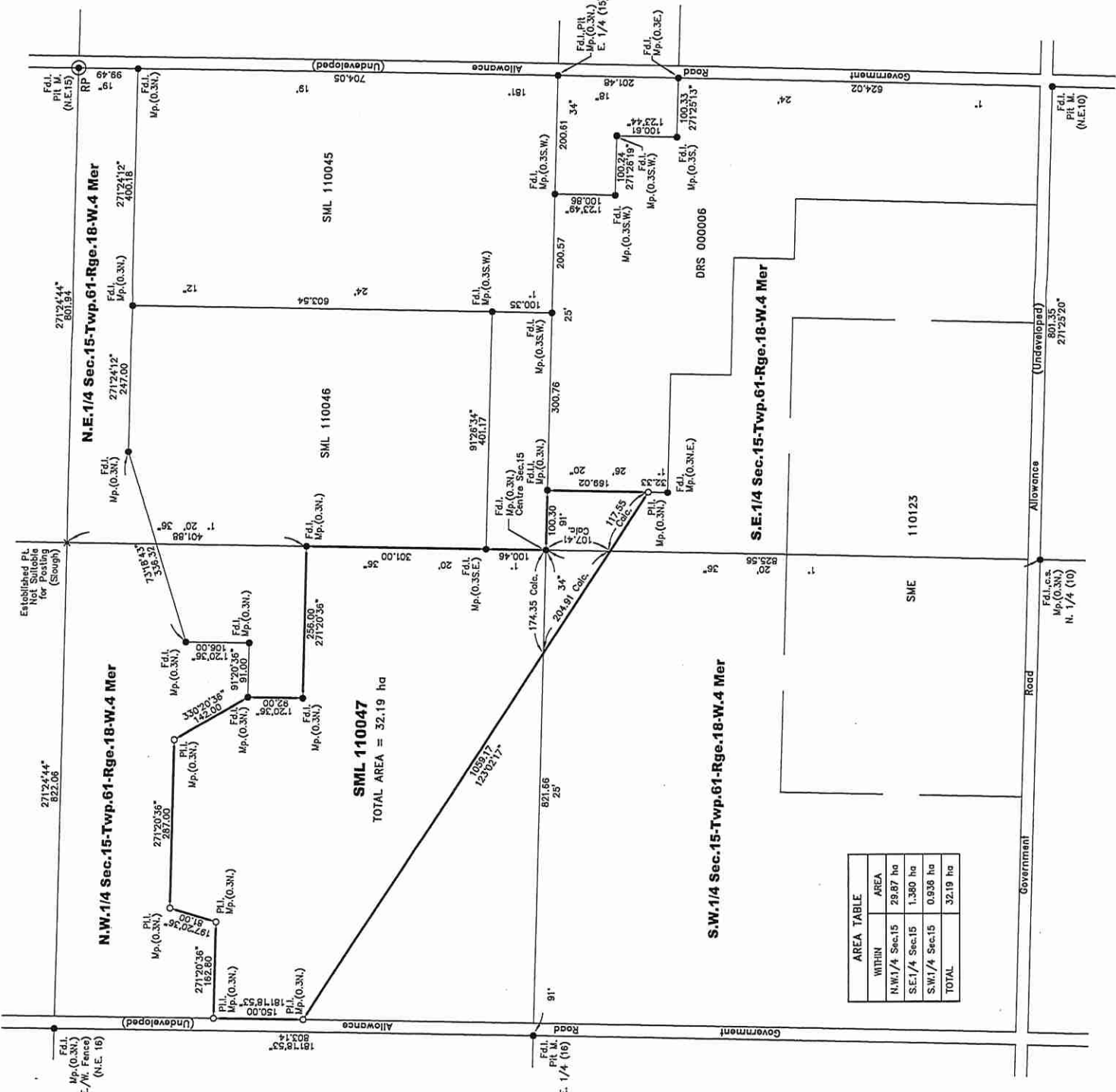
I, Duncan C. Gillmore, Alberta Land Surveyor, solemnly declare that the survey represented by this plan was made under my personal supervision, the survey was made in accordance with good surveying practices and in accordance with the provisions of the Survey Act, the survey was performed between the dates of 28th Day of February, and 31st Day of March, 2012, and that this plan is true and correct, and prepared in accordance with the provisions of the Public Lands Act and the regulations thereunder, and that I am a duly qualified and licensed surveyor knowing that it is of the same force as if made under oath.

Declared before me at 9:00 am
this 21st day of March, 2012.



Pearl Gilmore
Pearl Gilmore
A Commissioner For Oaths
in and for the Province of Alberta
Commission expires on August 17, 2012

GILLMORE SURVEYS (ARCTIC) LTD
WS 12-15994 (3) OSAL 1183-44
FILE NO. SML 110047



AREA TABLE	
WITHIN	AREA
N.W. 1/4 Sec.15	29.87 ha
S.E. 1/4 Sec.15	1.360 ha
S.W. 1/4 Sec.15	0.936 ha
TOTAL	32.19 ha

Drawings:

- Dwg. No. 1: Site Location
- Dwg. No. 2 & 2A: Existing Site/Planned Development
- Dwg. No. 2B: 2012 Client Provided Test Data
- Dwg. No. 3: Development Sequencing
- Dwg. No. 4A,4B & 4C: Cross-Section Profiles
- Dwg. No. 5: Pit Face Profiles
- Dwg. No. 6: Planned Reclamation

Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML's 110045, 110046, 110047

SML Number	Legal Land Description	Area of Lease	Lease Holder
110045	Within NE15-061-18-W4M and SE15-061-18-W4M	31.24 ha(79.66 ac)	Robert Beaverford
110046	Within NW15-061-18-W4M and NE15-061-18-W4M	28.38 ha(70.13 ac)	541466 Alberta Ltd
110047	Within NW15-061-18-W4M and SW15-061-18-W4M	32.19 ha(79.54 ac)	Glenn Ball

Dwg. No. 1

- DRAWINGS**
- Dwg. No. 1 : Site Location
 - Dwg. No. 2 : Existing Site/Planned Development
 - Dwg. No. 2A : Existing Site/Planned Development
 - Dwg. No. 2B : 2012 Test Data
 - Dwg. No. 3 : Development Sequencing
 - Dwg. No. 4A : Cross-Section Profiles
 - Dwg. No. 4B : Cross-Section Profiles
 - Dwg. No. 4C : Cross-Section Profiles
 - Dwg. No. 5 : Pit Face Profiles
 - Dwg. No. 6 : Planned Reclamation

LEGEND:



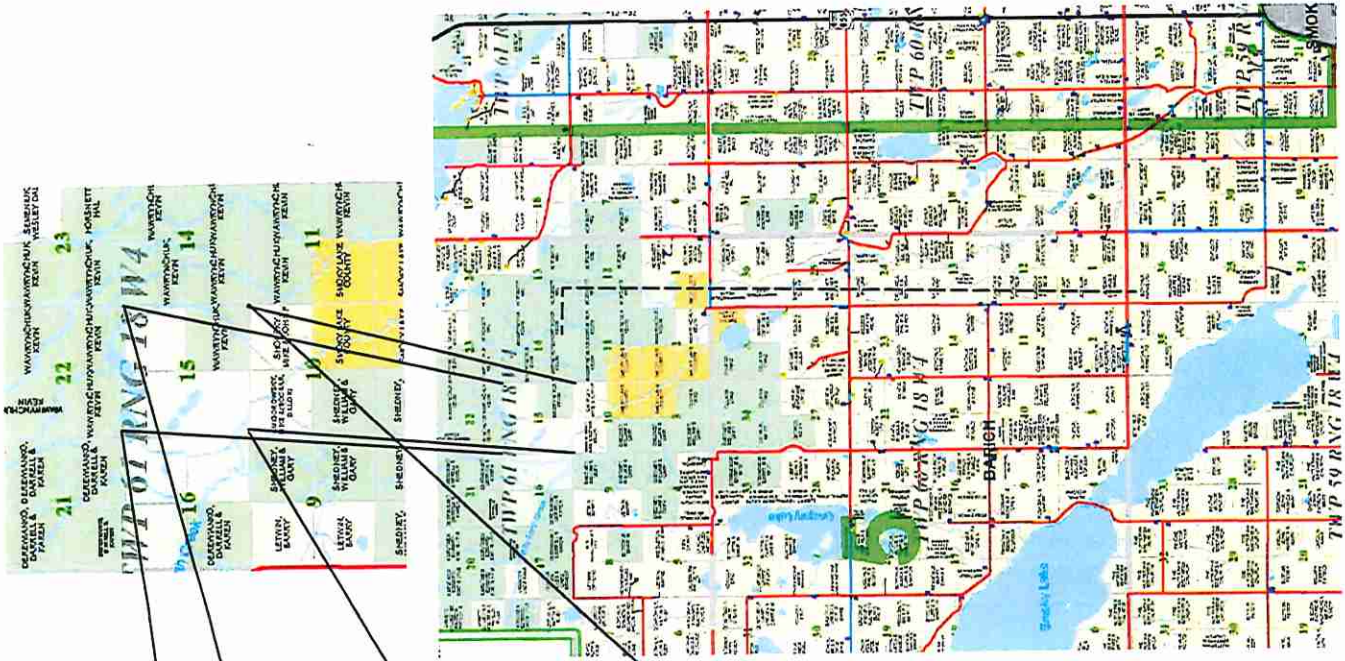
TOR Land Resource Inc.
 Suite 129, 11299-104 Ave.
 Edmonton AB T6K 2R6
 Tel 780 994 8171 (Can)
 406 780 914 8537 (Int'l)
 Fax 780 990 0280

Drawn by: M. Parseyan
 Checked by: VM. Torstensen

July 2011

Revision No.	Revision	Date
1	Updated areas to match survey plan	March 2012

Revisions:



Valtius Air Photo
 Aug 06, 2008

Smoky Lake County Ownership Map
 Accurate Assessment Group Ltd
 2010

Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML's 110045, 110046, 110047

SML Number	Legal Land Description	Area of Lease	Lease Holder
110045	Within NE15-61-18-W4M and SE15-61-18-W4M	31.24 ha(79.66 ac)	Robert Beareford
110046	Within NW15-61-18-W4M and NE15-61-18-W4M	28.38 ha(70.13 ac)	541466 Alberta Ltd.
110047	Within NW15-61-18-W4M and SW15-61-18-W4M	32.19 ha(79.54 ac)	Glenn Bell

DWG. No. 2

- DRAWINGS**
- Dwg. No. 1 : Site Location
 - Dwg. No. 2 : Existing Site/Planned Development
 - Dwg. No. 2A : Existing Site/Planned Development
 - Dwg. No. 2B : 2012 Test Data
 - Dwg. No. 3 : Development Sequencing
 - Dwg. No. 4A : Cross-Section Profiles
 - Dwg. No. 4B : Cross-Section Profiles
 - Dwg. No. 4C : Cross-Section Profiles
 - Dwg. No. 5 : Pit Face Profiles
 - Dwg. No. 6 : Planned Reclamation

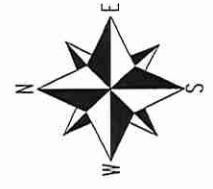
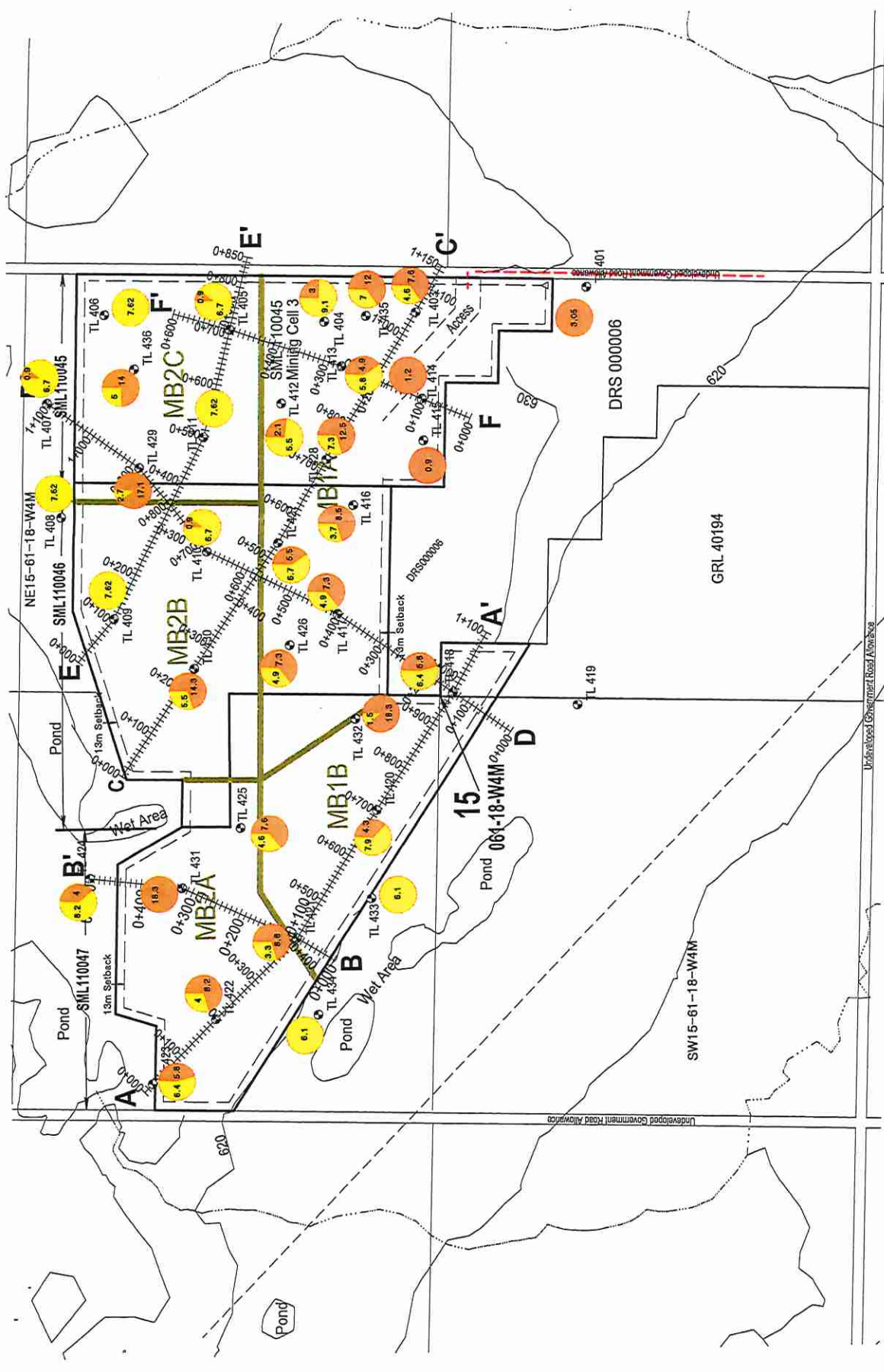
LEGEND:

- SML Boundaries
- Mining Cells Boundaries
- Culline
- Stream
- TL 408 Test Hole (700 series provided by client)
- Pie showing % of gravel (orange) and % sand (yellow) in test holes; Numbers indicate thickness in metre
- Pipeline Right of Way
- Contour Lines (10m Intervals)
- Planned Access Road

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 Suite 122, 11220-104 Ave.
 Edmonton AB T6K 2P8
 Tel: 780 990 0012 (Ext)
 403 204 8769 (Cell)
 Mob: 780 974 6531
 Fax: 780 990 0280

Drawn by: M. Parayan
 Checked by: VM. Torstensen
 July 2011

PRO: 00000	Rev. #	Revision	Date
	1	Original submission ESRD	Mar 2012
Revisions:	2	Revised Draft -- reclaim to wildlife habitat. Not submitted to ESRD	May 2013
	3	Revised Draft -- reclaim to wildlife habitat. Mining Block amend	Oct 2013



Notes:
 The setback (13m) was calculated by multiplying the estimated average maximum depth of the excavation (8.5m) by 1.5 (for a slope of 3 to 1). Based on the test hole data, there is sufficient overburden, sand and elimination to construct 3:1 and 6:1 reclaimed slopes, thereby allowing mining the gravel up to the SML boundary.

Consolidated Conservation and Reclamation Business Plan Surface Materials Leases
SML's 110045, 110046, 110047

SML Number	Legal Land Description	Area of Lease	Lease Holder
110045	Within NW15-061-18-W4M and SE15-061-18-W4M	31.24 ha (79.66 ac)	Robert Beaverford
110046	Within NW15-061-18-W4M and NE15-061-18-W4M	26.38 ha (70.13 ac)	541468 Alberta Ltd
110047	Within NW15-061-18-W4M and SW15-061-18-W4M	32.19 ha (79.54 ac)	Glenn Ball

Dwg. No. 2A

- DRAWINGS**
 Dwg. No. 1 : Site Location
 Dwg. No. 2 : Existing Site/Planned Development
 Dwg. No. 2A : Existing Site/Planned Development
 Dwg. No. 2B : 2012 Test Data
 Dwg. No. 3 : Development Sequencing
 Dwg. No. 4A : Cross-Section Profiles
 Dwg. No. 4B : Cross-Section Profiles
 Dwg. No. 4C : Cross-Section Profiles
 Dwg. No. 5 : Pit Face Profiles
 Dwg. No. 6 : Planned Reclamation

LEGEND:



SML Boundaries



Test Hole-700 series p-*** provided *
 o ** ravel (orange) and % sand (yellow) in test holes; Numbers indicate thickness in metre

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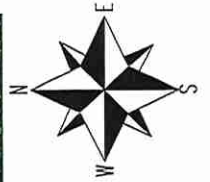
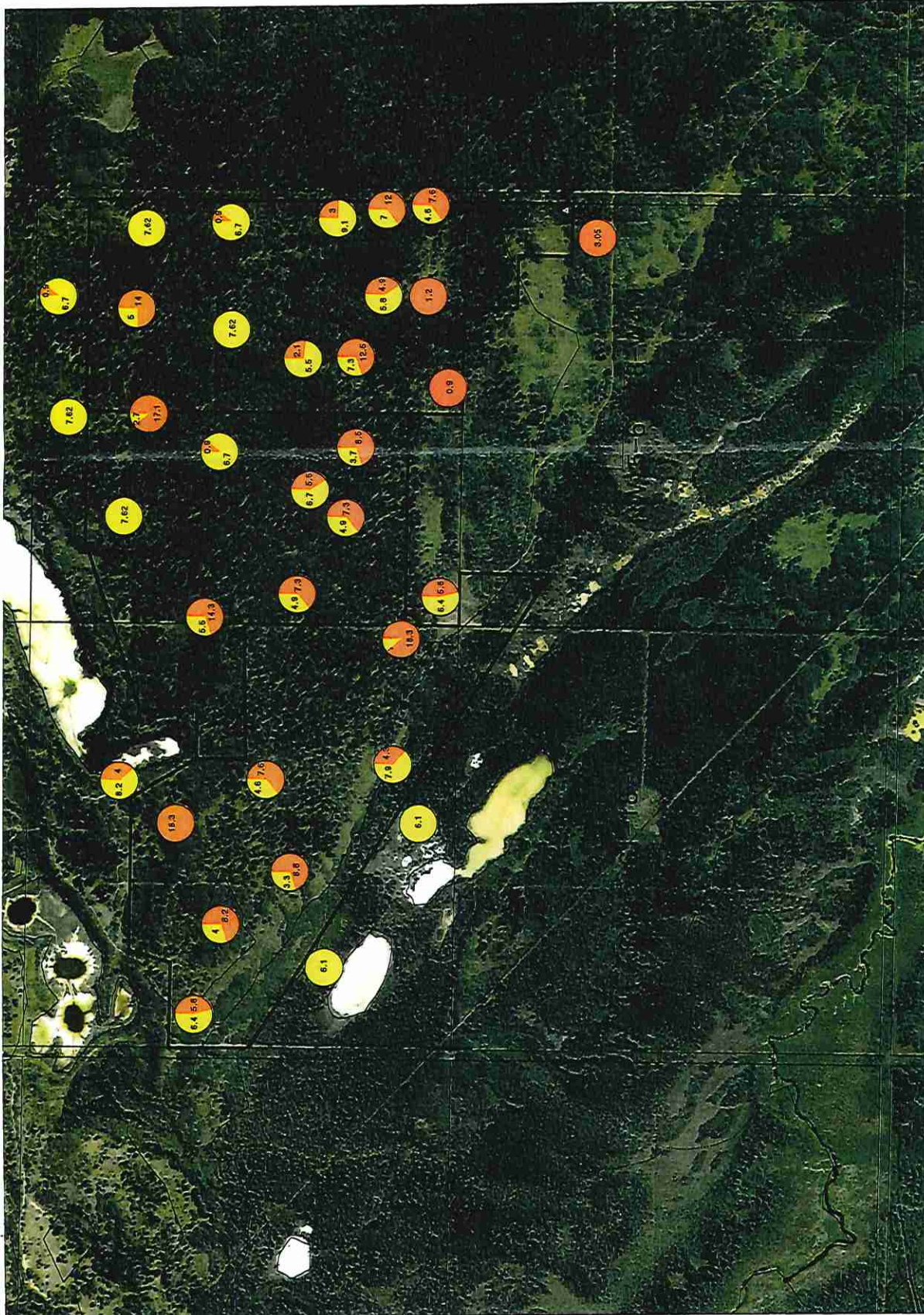
Suite 128, 1228-104 Ave.
 Edmonton, AB T6E 0T2 (Can)
 Tel: 780 991 2727 (Ext)
 403 804 8795 (Can)
 403 780 914 8631
 Fax: 780 990 0280

Drawn by: M. Parseyan

Checked by: VM. Torstensen

July 2011

Rev. No.	Revision	Date
1	Updated areas to match survey plan. Added pit charts*	March 2012
2	Removed Mining Block Illustration (Amended MBIs illustrated in Dwg. 2)	Oct 2013



Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML's 110045, 110046, 110047

SML Number	Legal Land Description	Area of Lease	Lease Holder
110045	Within NE15-061-18-W4M and SE15-061-18-W4M	31.24 ha(79.66 ac)	Robert Beaverford
110046	Within NW15-061-18-W4M and NE15-061-18-W4M	28.38 ha(70.13 ac)	541466 Alberta Ltd
110047	Within NW15-061-18-W4M and SW15-061-18-W4M	32.19 ha(79.54 ac)	Glenn Bell

DWG. No. 2B

DRAWINGS
 Dwg. No. 1 : Site Location
 Dwg. No. 2 : Existing Site/Planned Development
 Dwg. No. 2A : Existing Site/Ortho Photo Base
 Dwg. No. 2B : 2012 Test Data
 Dwg. No. 3 : Development Sequencing
 Dwg. No. 4A : Cross-Section Profiles
 Dwg. No. 4B : Cross-Section Profiles
 Dwg. No. 4C : Cross-Section Profiles
 Dwg. No. 5 : Pit Face Profiles
 Dwg. No. 6 : Planned Reclamation

LEGEND:

- SML Boundaries
- Mining Cells Boundaries
- Cutline
- Stream
- Client Provided Test Data (TL Series - Auger, TH Series - Hoe)
- Contour Lines (10m Intervals)

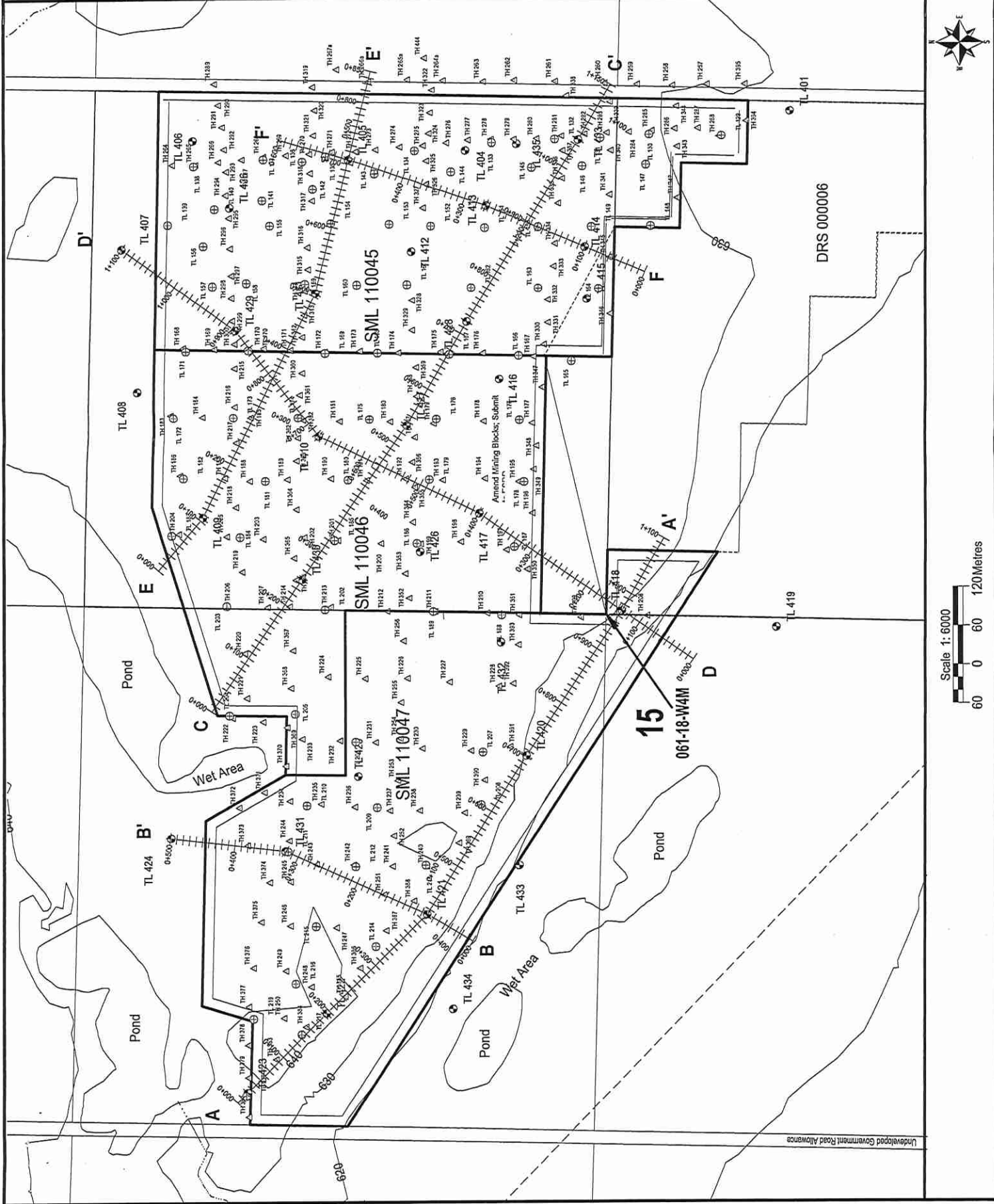
620

TOR Land Resource Inc.
 Suite 128, 11230-104 Ave.
 Edmonton AB T6K 2J9
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 933 874 8289 (Cell)
 Fax: 780 880 0280

Drawn by: M. Perseyan
 Checked by: VM, Tojstensen

Revision No.	Revision	Date
1	Add test data	March 2012

July 2011



Undeveloped Government Road Allowance

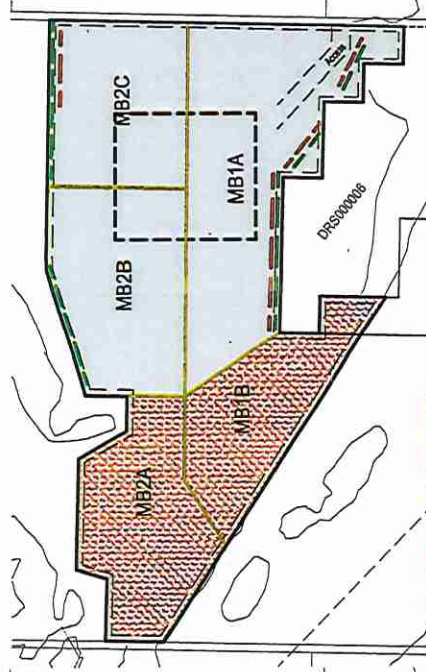
LEGEND:

- 15 m Setback (Reclamation material as needed)
- Separated topsoil and subsoil stockpiles
- Overburden stockpiles. As the mining progresses, overburden is sequentially stripped and direct-placed.
- Theoretical migrating location and size of aggregate stockpile and processing area. Also migrates from a temporary location on top of overburden, to locations on the pit floor.
- A temporary asphalt plant may be located in this area pending future ESRD application and approval for installation of the temporary plant.

Cleared, Soils stripped
Overburden stripped

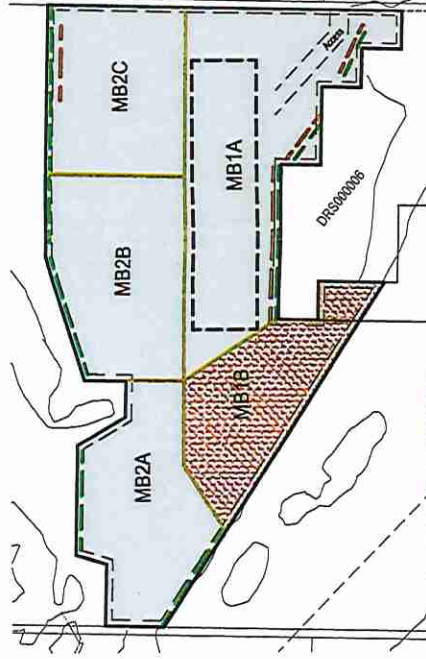
Progressive reclamation

Full reclamation



PHASE 1 -- Est. 2014-2017
Clear trees Mining Blocks 1A and 1B Sequence stripping and mining 1A and 1B to allow full mining to the boundary of the SML (there is sufficient overburden for sloping). Overburden MB1A will be stripped and direct-placed within MB1B.

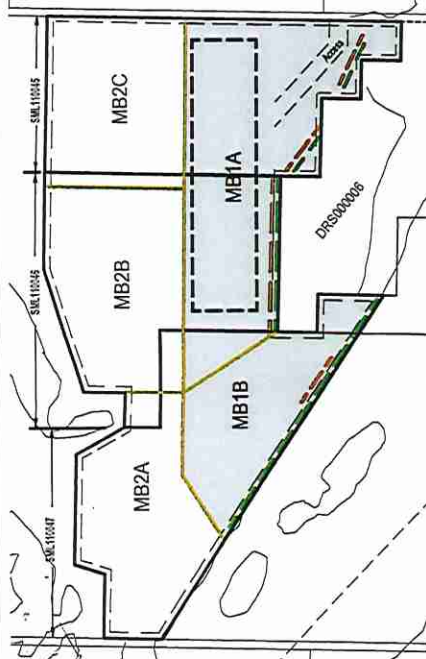
Area of Disturbance in Phase 1:
1A AND 1B total 29.04 + 12.15 ha, respectively for a Total Area of 41.19ha, and comprise
17.3ha within SML 110045
9.76ha within SML 110046
14.13ha within SML 110047



PHASE 2 -- Est. 2017-2020
Clear trees Mining Blocks 2A, 2B and 2C Sequence stripping and mining 2A, 2B and 2C to allow full mining to the boundary of the SML (there is sufficient overburden for sloping).

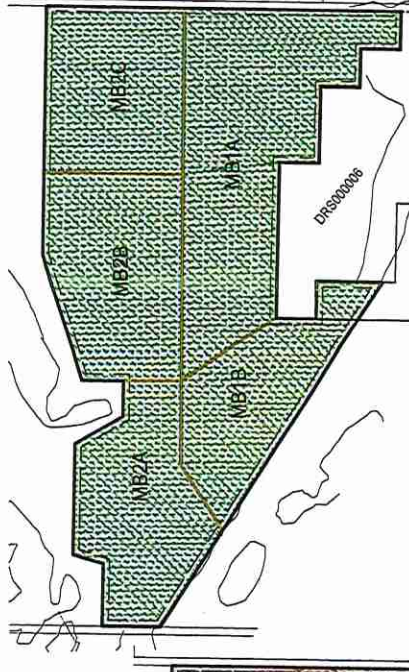
Progressive partial reclamation of MB1B

Area of Disturbance in Phase 2:
2A, 2B and 2C total 16.4 + 17.36 + 17.12 ha, respectively for a Total Area of 50.62 ha, and comprise
An additional 15.84ha within SML 110045
An additional 18.53ha within SML 110046
An additional 16.25ha within SML 110047



PHASE 3 -- Est. 2018-2022
Continue excavation of Mining Blocks 2B and 2C Sequence stripping and mining 2B and 2C to allow full mining to the boundary of the SML (there is sufficient overburden for sloping).

Progressive partial reclamation of MB1B and 2A



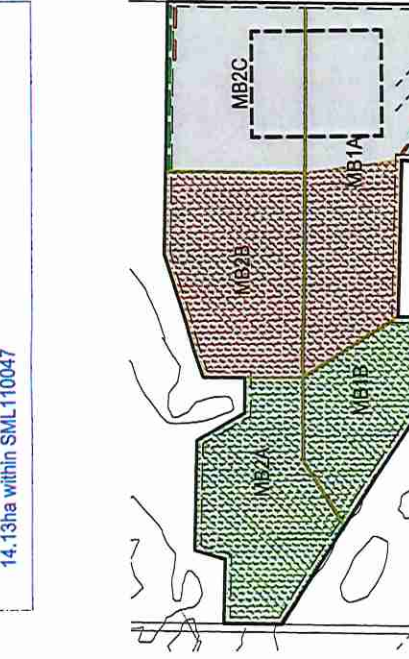
PHASE 4 -- Est. 2020-2023
Continue excavation of Mining Blocks 2C Sequence stripping and mining to allow full mining to the boundary of the SML (there is sufficient overburden for sloping).

Progressive partial reclamation of the west portion of MB1A and all of MB2A
Complete full reclamation of MB1B and MB2A



PHASE 5 -- Est. 2022-2024
Complete excavation of entire site (all SMLS 110045, 110046, 110047 Progressive haul from aggregate stockpiles Progressive partial reclamation of the east portion of MB1A and MB2C

Complete full reclamation of the west portion of MB1A and MB2B



PHASE 6 -- Est. 2022-2026
Complete progressive haul from aggregate stockpiles
Complete full reclamation of the site

**Consolidated Plan
SMLS 110045, 110046, and 110047
Development Sequence
CRB Amendment
DWG. No. 3**

Revision No.	Revision	Date
1	Original submission ESRD	March 2012
2	Revised client draft -- reclamation to wildlife habitat	May 2013
3	Amend development sequence	Sept 2013

Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML's 110045, 110046, 110047

SML Number	Legal Land Description	Area of Lease	Lease Holder
110045	Within NE15-061-18-W4M and SE15-061-18-W4M	31.24 ha (79.66 ac)	Robert Beamanford
110046	Within NW15-061-18-W4M and NE15-061-18-W4M	28.38 ha (70.13 ac)	541466 Alberta Ltd
110047	Within NW15-061-18-W4M and SW15-061-18-W4M	32.19 ha (79.54 ac)	Gleim Bell

DWG. No. 4A
DRAWINGS
 Dwg. No. 1 : Site Location
 Dwg. No. 2 : Existing Site/Planned Development
 Dwg. No. 2A : Existing Site/Planned Development
 Dwg. No. 2B : 2012 Test Data
 Dwg. No. 3 : Development Sequencing
 Dwg. No. 4A : Cross-Section Profiles
 Dwg. No. 4B : Cross-Section Profiles
 Dwg. No. 4C : Cross-Section Profiles
 Dwg. No. 5 : Pit Face Profiles
 Dwg. No. 6 : Planned Reclamation

LEGEND:

- Undisturbed Soil
- Gravel
- Sand
- Replaced Soil
- Replaced Overburden and Elimination
- Unable to Penetrate
- UTP
- Slope (Run: Rise)
- Test Holes
- SML Boundary
- 15m Seaback
- Pipeline R/W

* The internal reclaimed slopes will be 6:1 or gentler

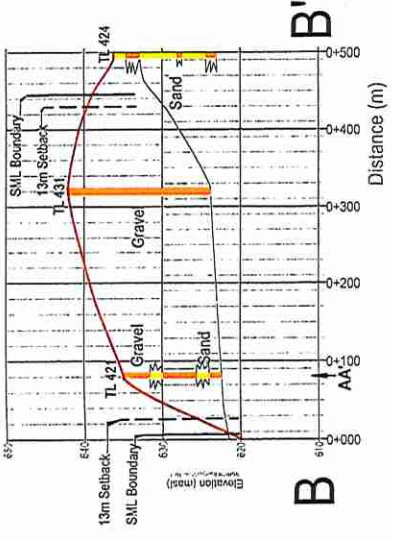
TOR Land Resource Inc.
 Suite 129, 1220-104 Ave.
 Calgary, Alberta
 T2C 1P5
 Tel: 403 244 0212 (Ext)
 Fax: 403 244 0212 (Ext)
 Mob: 780 514 5531
 Fax: 780 580 0280

Drawn by: M. Puseyren
 Checked by: VM. Toratensen
 July 2011

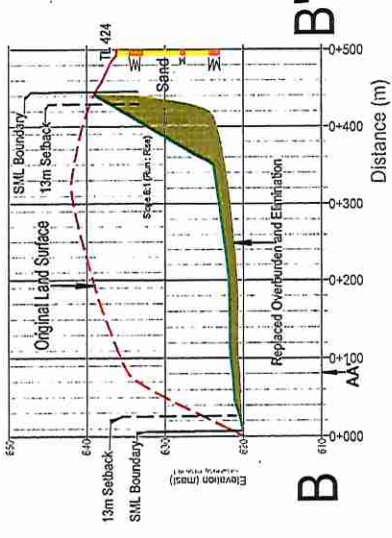
PRO: 00000

Revision No.	Revision	Date
1	Updated areas to match survey Plan; Updated stratigraphy information	March 2012
2	Revised AA, BB, CC, DD, FF, reclamation site X-sections. Updated text regarding 6:1 slopes in the legend, added 3m buffer.	May 2013

Existing



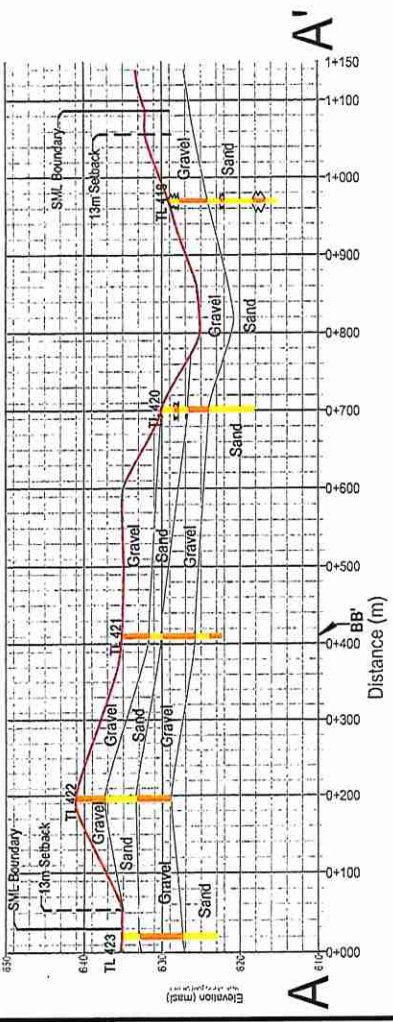
Reclaimed



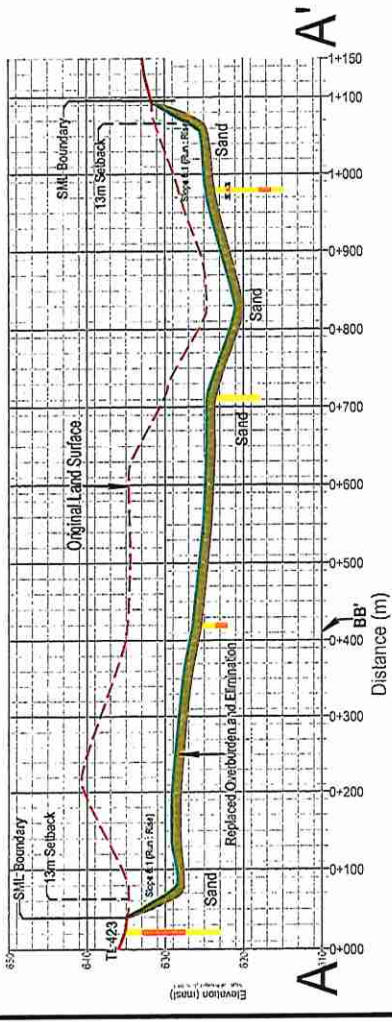
RECLAIMED STRATIGRAPHY:

Topsoil (A-Horizon): 0.14m
 Subsoil (B-Horizon): 0.54m
 Replaced Overburden and Elimination
 Gravel or Sand: presence and thickness of these materials varies across the site

Existing

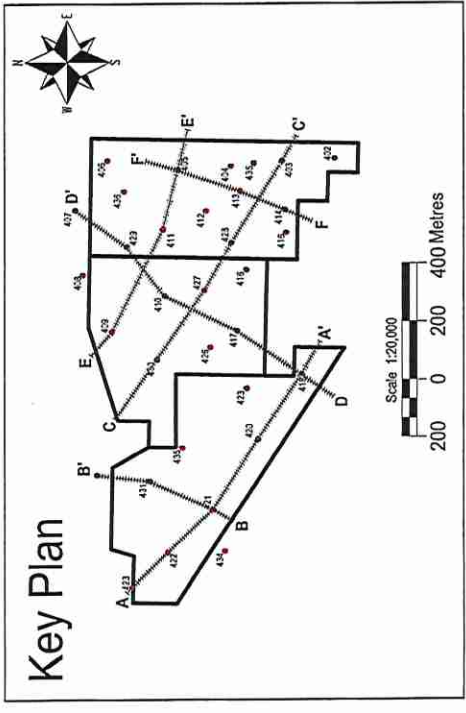


Reclaimed



EXISTING STRATIGRAPHY:

Topsoil (A-Horizon): 0.10 - 0.15m sand, Average 0.14m
 Subsoil (B-Horizon): 0 - 0.9m, Average 0.54m
 Overburden: discontinuous sand bodies up to 5.5m thick (average 1.3 m)
 Gravel: 0.6-13.7 m (3.5m average); lenses and layers of sand ranging from 1.2 to 6.7m thick (average 2.7m) may occur between minable gravel units



Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML's 110045, 110046, 110047

SML Number	Legal Land Description	Area of Lease	Lease Holder
110045	Within NE15-061-18-W4M and SE15-061-18-W4M	31.24 ha(79.86 ac)	Robert Beaverford
110046	Within NW15-061-18-W4M and NE15-061-18-W4M	28.33 ha(70.13 ac)	541466 Alberta Ltd
110047	Within NW15-061-18-W4M and SW15-061-18-W4M	32.19 ha(79.54 ac)	Glenn Ball

DWG. No. 4B

- DRAWINGS**
 Dwg. No. 1 : Site Location
 Dwg. No. 2 : Existing Site/Planned Development
 Dwg. No. 2A : Existing Site/Planned Development
 Dwg. No. 2B : 2012 Test Data
 Dwg. No. 3 : Development Sequencing
 Dwg. No. 4A : Cross-Section Profiles
 Dwg. No. 4B : Cross-Section Profiles
 Dwg. No. 4C : Cross-Section Profiles
 Dwg. No. 5 : Pit Face Profiles
 Dwg. No. 6 : Planned Reclamation

LEGEND:

- Undisturbed Soil
 - Gravel
 - Sand
 - Replaced Soil
 - Replaced Overburden and Elimination
 - UTP
 - Unable to Penetrate
 - Slope (Run: Rise)
 - Test Holes
 - SML Boundary
 - 15m Seaback
 - Pipeline RAW
- * The internal reclaimed slopes will be 6:1 or gentler

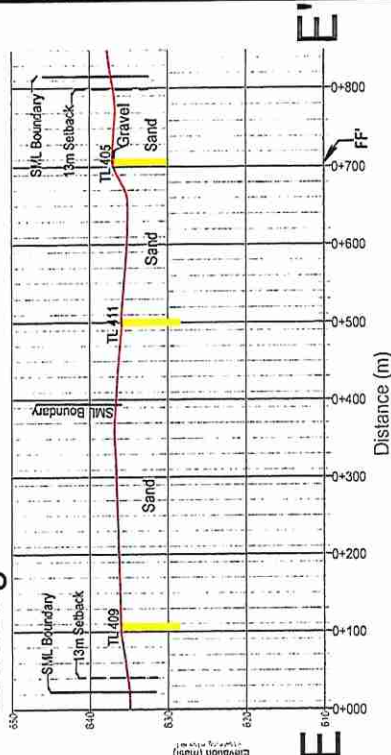
TOR Land Resource Inc.
 Suite 108, 11230-104 Ave.
 Edmonton AB T6K 2J8
 Tel 780 950 0012 (Ext)
 403 804 8766 (cell)
 Mob 780 914 9531
 Fax 780 950 0280

Drawn by: M. Peseyan
 Checked by: VM, Torstensen

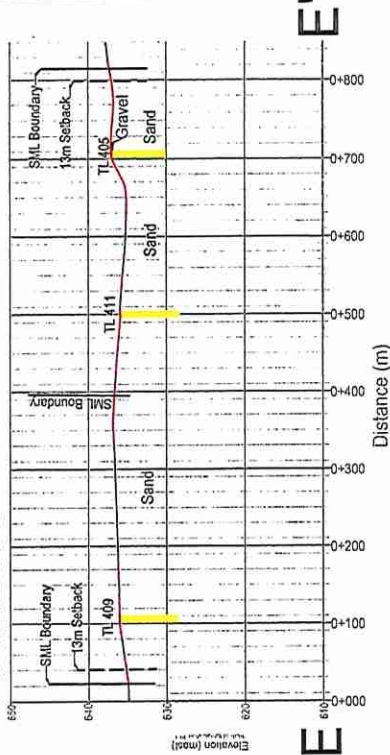
July 2011

Revision No.	Revision	Date
1	Updated areas to match survey Plan; Updated stratigraphy information	March 2012
2	Revised AA, BB, CC, DD, FF, reclaimed site X-section, updated text regarding 6:1 slopes in the legend, deleted SML buffer	May 2013

Existing



Reclaimed



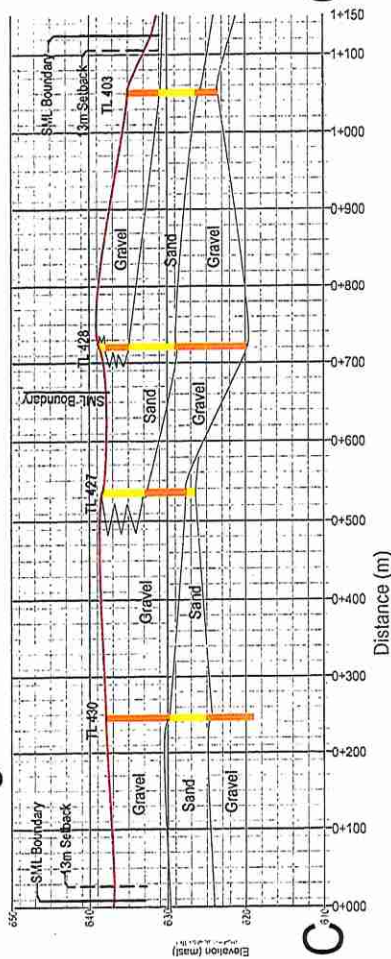
RECLAIMED STRATIGRAPHY:

Topsail (A-Horizon): 0.14m
 Subsoil (B-Horizon): 0.54m
 Replaced Overburden and Elimination
 Gravel or Sand: presence and thickness of these materials varies across the site

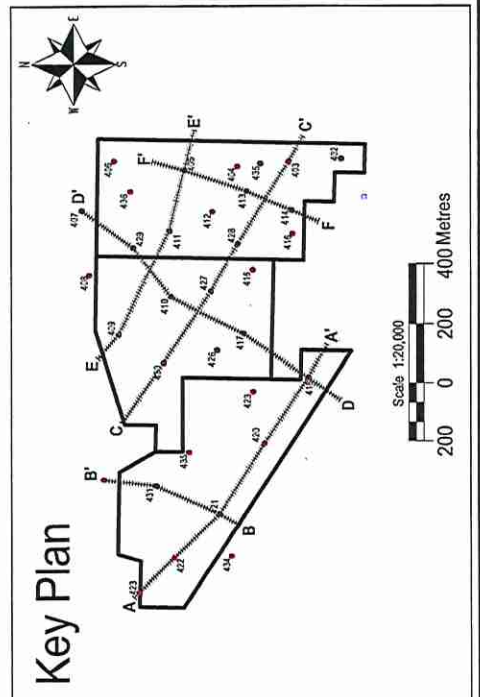
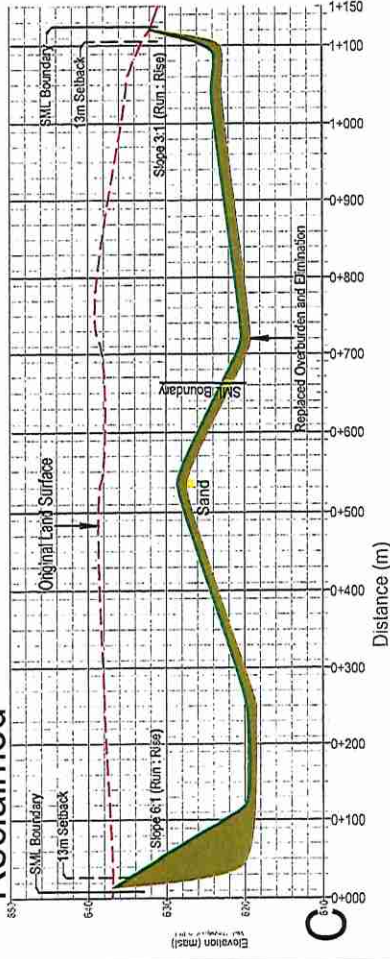
EXISTING STRATIGRAPHY:

Topsail (A-Horizon): 0.10 - 0.15m sand - Average 0.14m
 Subsoil (B-Horizon): 0 - 0.9m, Average 0.54m thick
 Overburden: discontinuous sand bodies up to 5.5m thick (average 1.3 m)
 Gravel: 0.6-13.7 m (3.5m average); lenses and layers of sand ranging from 1.2 to 6.7m thick (average 2.7m) may occur between minable gravel units

Existing



Reclaimed



Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML's 110045, 110046, 110047

SML Number	Legal Land Description	Area of Lease	Lease Holder
110045	Within NE15-061-18-W4M and SE15-061-18-W4M	31.24 ha (79.66 ac)	Robert Beaverford
110046	Within NW15-061-18-W4M and NE15-061-18-W4M	28.33 ha (70.13 ac)	541466 Alberta Ltd
110047	Within NW15-061-18-W4M and SW15-061-18-W4M	32.19 ha (79.54 ac)	Gleim Bell

DWG. No. 4C

DRAWINGS
 Dwg. No. 1 : Site Location
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 Dwg. No. 4C : Cross-Section Profiles
 Dwg. No. 5 : Pit Face Profiles
 Dwg. No. 6 : Planned Reclamation

LEGEND:

- Undisturbed Soil
- Gravel
- Sand
- Replaced Soil
- Replaced Overburden and Elimination
- UTP
- Unable to Penetrate
- Slope (Run: Rise)
- Test Holes
- SML Boundary
- 15m Seaback
- Pipeline RW

* The internal reclaimed slopes will be 6:1 or gentler

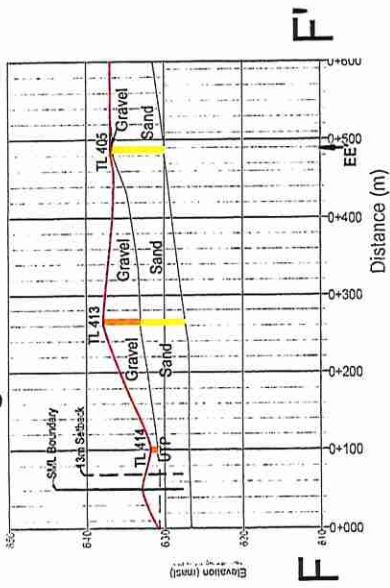
TOR Land Resource Inc.
 S/116 188, 11230-104 Ave.
 Edmonton, AB T5K 2J8
 Tel: 780 590 0012 (Ext)
 Fax: 780 914 5531
 Mx: 780 590 0280

Drawn by: M. Perseyan
 Checked by: VM. Tolstensen

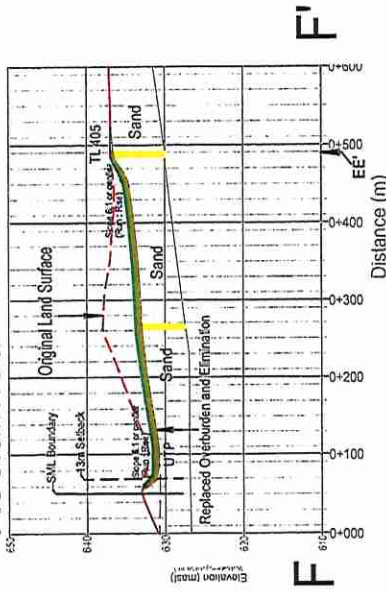
July 2011

Revision No.	Revision	Date
1	Updated areas to match survey plan; Updated stratigraphy information	March 2012
2	Revised AA', BB', CC, DD, FF, reclaimed area X-section, updated test regarding 6:1 slopes in the seaback, added 3m buffer	May 2013

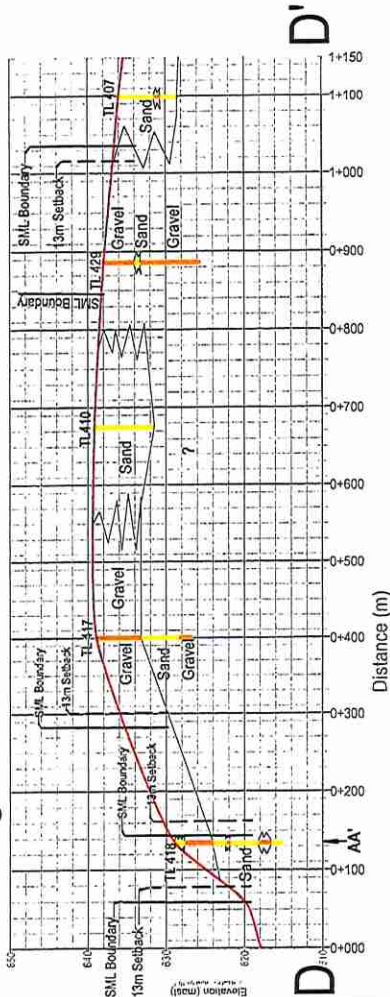
Existing



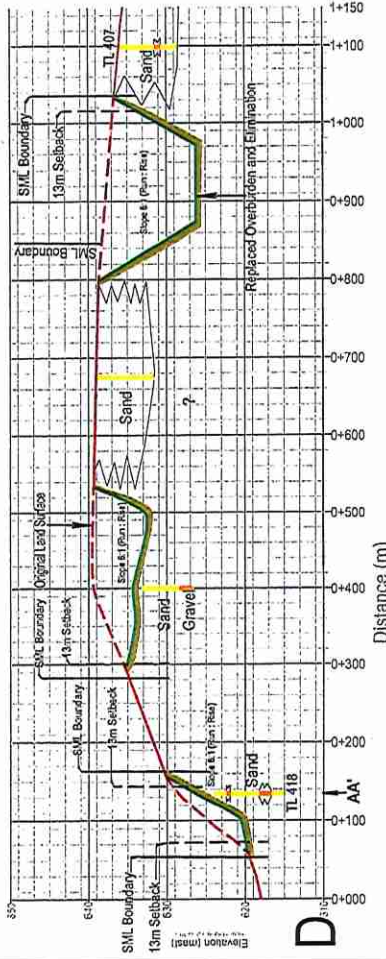
Reclaimed



Existing



Reclaimed

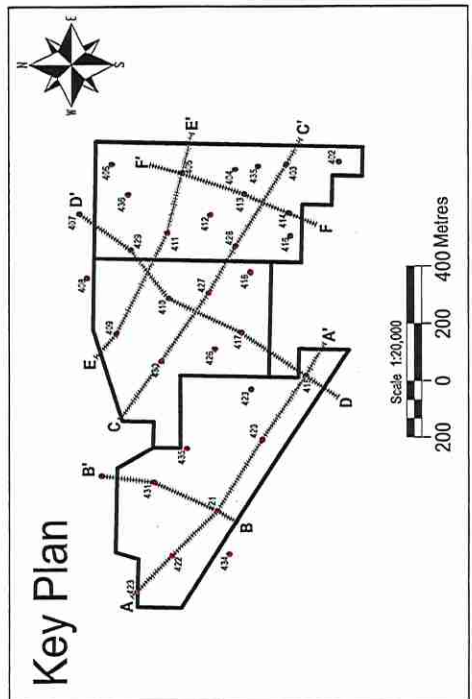


EXISTING STRATIGRAPHY:

Topsoll (A-Horizon): 0.10 - 0.15m sand, Average 0.14m
 Subsoil (B-Horizon): 0 - 0.9m, Average 0.64m
 Overburden: discontinuous sand bodies up to 5.5m thick (average 1.3 m)
 Gravel: 0.6-13.7 m (3.5m average); lenses and layers of sand ranging from 1.2 to 6.7m thick (average 2.7m) may occur between minable gravel units

RECLAIMED STRATIGRAPHY:

Topsoll (A-Horizon): 0.14m
 Subsoil (B-Horizon): 0.54m
 Replaced Overburden and Screenings: at least 1.5m of overburden and elimination
 Gravel or Sand: presence and thickness of these materials varies across the site



Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML's 110045, 110046, 110047

SML Number	Legal Land Description	Area of Lease	Lessee Holder
110045	Within NE15-061-18-W4M and SE15-061-18-W4M	31.24 ha(79.66 ac)	Robert Beaverford
110046	Within NW15-061-18-W4M and NE15-061-18-W4M	28.38 ha(70.13 ac)	541466 Alberta Ltd
110047	Within NW15-061-18-W4M and SW15-061-18-W4M	32.19 ha(79.54 ac)	Gleim Ball

Dwg. No. 6

- DRAWINGS**
 Dwg. No. 1 : Site Location
 Dwg. No. 2 : Existing Site/Planned Development
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 Dwg. No. 5 : Pit Face Profiles
 Dwg. No. 6 : Planned Reclamation

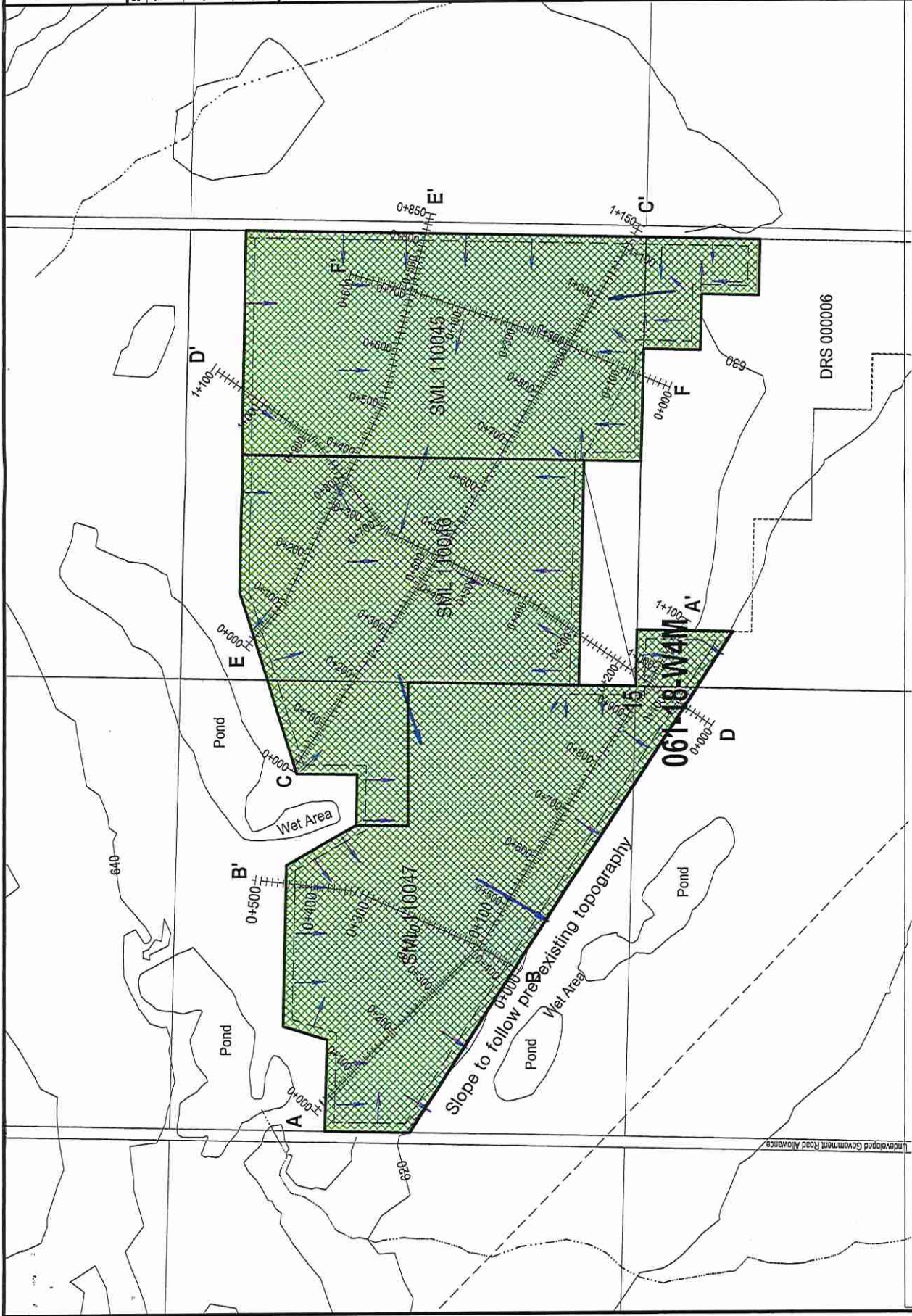
LEGEND:

- SML Boundary
- Undisturbed Soil
- Reclaimed
- Direction of Surface Drainage
- 3m Buffer
- 15m Seaback

TOR Land Resource Inc.
 Suite 128, 11230-104 Ave.
 Edmonton AB T6K 2P9
 Tel: 780 590 0012 (Ext.)
 403 604 8768 (Cell)
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 Fax: 780 590 0290

Drawn by: M. Purseyan
 Checked by: VM. Torstensen
 July 2011

Revision No.	Revision	Date
1	Updated areas to match survey plan	March 2012
2	Added test reaching regular topography and 6:1 slopes. Surface drainage pattern changed. 3m buffer deleted.	May 2013

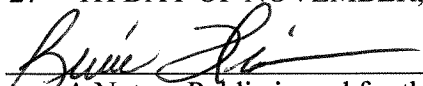


Notes:

- All internal reclaimed slopes will be 6:1 or gentler to generate irregularity in the topography except the southwestern boundary of SML 110047 where the slope will follow the pre-existing topography.
- Soils will be replaced to a variable thickness to encourage biodiversity. Available woody debris will be rolled back to provide surface roughness and a variety of microsites for plant establishment
- SML's lie within the Central Mixedwood Subregion of the Boreal Forest Natural Region (15). The vegetation is dominated by mature spruce (70%). The forest is mixedwood ("CD" 70-50% coniferous trees). The ratio of spruce to pine is estimated at 4 to 1 and the ratio of aspen to other deciduous trees is estimated at 9 to 1.



THIS IS EXHIBIT "PP" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING RSA 2000, c. E-12

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-14

Mantle Materials Group, Ltd., previously JMB Crushing Systems Inc.
P.O. Box 6977
Bonnyville, AB T9N 2H4

Byron Levkulich, Director
JMB Crushing Systems Inc. and Mantle Materials Group, Ltd.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc. and Mantle Materials Group, Ltd.
1400 16th Street, Suite 320
Denver CO 80202
United States

(Collectively hereafter referred to as the "Parties")

WHEREAS JMB Crushing Systems Inc. ("JMB") operated a sand and gravel pit (the "Pit") on a portion of public land legally described as NE-11-061-18 W4M (the "Lands") in the County of Smoky Lake, in the Province of Alberta;

WHEREAS on May 1, 2021, as part of the restructuring of JMB and 2161889 Alberta Ltd. ("216") under the *Companies Creditors Arrangement Act*, JMB, 216 and Mantle Materials Group, Ltd. amalgamated and continued as Mantle Materials Group Ltd. ("Mantle");

WHEREAS Byron Levkulich and Aaron Patsch are former Directors of JMB and 216, and are current Directors of Mantle;

WHEREAS the Pit is approximately 11.07 hectares in area. Appendix "A" to this Order contains a map showing the dimensions, location, and features of the Pit;

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

WHEREAS a "lease" is defined in the *Public Lands Administrative Regulations* (the "Regulation") to mean a surface material lease;

- 2 -

WHEREAS the Lands are contained in surface material lease 110025 (“SML 110025”) that is a disposition that was originally issued to Bonnie Badry under the *Public Lands Act* on February 12, 2014. SML 110025 expires on February 11, 2024;

WHEREAS on November 16, 2018, SML 110025 was assigned from Bonnie Badry to 216. Mantle is the current holder of SML 110025, as a result of the amalgamation of JMB, 216, and Mantle, in accordance with the *Regulation* for the Lands for the purpose of removing material by surface excavation;

WHEREAS “surface material” is defined in the *Regulation* to mean clay, marl, sand, gravel, topsoil, silt and peat;

WHEREAS on February 12, 2014, Alberta Environment and Protected Areas (“AEPA”) approved the Conservation and Reclamation Business Plan (the “CORP”) for SML 110025 (See Appendix B);

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

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

WHEREAS Clause 13 of SML 110025 states that the operator shall reclaim the surface of the land in a manner satisfactory to AEPA;

WHEREAS Clause 19 of the Schedule A – Operating Conditions to SML 110025 states that the operator is to reclaim all disturbed land surfaces within two growing seasons. Interim reclamation, including site and debris clean-up, slope stabilization, recontouring with subsoil, and spreading of topsoil shall be done progressively and concurrently with operations “(Operating Condition)”;

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

WHEREAS on July 14, 2023, Mantle commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*;

WHEREAS on September 8, 2023, Alberta Forestry and Parks (“FP”) advised Mantle that 40% of the surface materials from the Pit had been extracted to date. FP also asked Mantle by what date it would reclaim the Pit as required by the disposition, the CORP, the *Public Lands Act*, and the *Public Lands Administrative Regulation* and apply for a reclamation certificate under the Act;

WHEREAS on September 15, 2023, Mantle responded to FP that it was “looking to transfer the pit registration”. Mantle did not respond to FP’s direct questions about completing reclamation at the Pit or applying for a reclamation certificate. Further, Mantle was silent on any interim reclamation that had been completed at the Pit;

- 3 -

WHEREAS on September 19, 2023, FP requested assistance from AEPA to enforce outstanding reclamation obligations on five pits on public land for which Mantle is the disposition holder including the Pit;

WHEREAS on September 22, 2023, AEPA conducted a site inspection of SML 110025 and observed the following on the Lands:

- stockpiles of marketable and reject aggregate material;
- a berm along the northeast boundary composed of topsoil;
- the developed area of the Lands was levelled into a working area for pit operations, which may mean that extra work could be needed during ripping to loosen material for reclamation;
- two excavation areas within the levelled area of the Lands, one in the south and one in the west of the developed part of the Lands;
- slopes within the excavations appeared to be approximately between 1:1 and 1:4 which does not align with the Section 9.4 Wind and Water Erosion of the CORP that requires, during periods of prolonged inactivity, pit faces to be sloped to 2:1 to maintain stability and reduce erosion;
- slopes of the operations area down to undisturbed area in north of the lease appeared to be approximately 1:1 which does not align with the CORP that requires pit faces to be sloped to 3:1;
- erosional furrows from the surface down into the excavation areas;
- natural revegetation encroaching in both excavation areas; and
- that the western half of the Lands had not been disturbed for aggregate mining purposes.

WHEREAS Heather Dent, Compliance Manager, Regulatory Assurance Division, Boreal East District (the "Inspector") has been designated as an Inspector for the purposes of issuing Environmental Protection Orders under section 140 of the Act;

WHEREAS the Inspector is of the opinion that Mantle's financial resources, lack of interim reclamation or any stated intention related to its regulatory obligation to reclaim and conserve the Pit warrants enforcement of its obligations given that Mantle is the successor corporation of JMB and 216 that were restructured in 2021 and more recently in 2023, Mantle commenced restructuring proceedings; and

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

THEREFORE, I Heather Dent, Inspector, pursuant to section 140 of the Act, DO HEREBY ORDER:

1. Mantle shall complete the following actions at the Lands on or before **November 24, 2023**:
 - a. place overburden materials within the Pit to a minimum thickness of 1.5 m and create the base for the subsoil and topsoil placement by contouring the Pit with reject material and other soil materials available

- 4 -

for reclamation;

- b. establish grade and contour across the Pit so that:
 - i. internal slopes range from 10:1 to 6:1 and no slope is greater than 3:1 as required by Section 10.0 Planned Reclamation of the CORP (see Appendix B),
 - ii. side slopes are no steeper than 3:1 as required by the CORP (see Appendix B), Drawings – Dwg. No. 6,
 - iii. the 5 m buffer between the Lands and pipeline right of way contained in pipeline agreement PLA 910056, as required by Section 8.1 Buffers and Setbacks of the CORP (see Appendix B), is maintained;
 - iv. the 3 m undisturbed buffer along the Lands boundary, as described in Section 8.1 Buffers and Setbacks of the CORP(see Appendix B), is maintained;
 - v. the material along the common boundary between the SML 110025 south boundary and the lands contained in SML 110026's north boundary is to have slopes no steeper than 6:1 as described in Section 8.1 Buffers and Setbacks of the CORP(see Appendix B), and
 - vi. surface water drainage is to be directed to drain as shown in CORP (see Appendix B), Drawings – Dwg. No. 6;
 - c. rip the subsoil in the Pit to alleviate compaction;
 - d. place an average depth of 50 cm of subsoils over the Pit;
 - e. place an average depth of 15 cm of topsoil over Pit; and
 - f. roll back woody debris located on the surface of the Pit to provide surface roughness and a variety of microsites for plant establishment.
2. Mantle shall complete the following actions on or before **November 24, 2023**:
 - a. revegetate the Pit with poplar planting and distribution of tops of conifer trees harvested from the site during site development in accordance with the most recent CORP.
 3. Mantle shall complete the following actions on or before **November 24, 2024**:
 - a. Monitor the Pit and take all necessary steps to:

- 5 -

- i. prevent erosion on all slopes of the Pit,
 - ii. control weeds in accordance with *Weed Control Act*,
 - iii. ensure the revegetation required by clause 2 has established and is of acceptable density, height, and/or yield. Where needed, supplement revegetation by seeding with an approved mixture and/or planting native species to achieve effective revegetation of the Lands.
4. Mantle shall apply for a reclamation certificate as per Section 134 of the Act by **January 1, 2025**.

Mantle shall submit progress updates to the Inspector on **December 20, 2023**, **June 30, 2024**, and **January 1, 2025**, that include a detailed summary of all the reclamation activities including monitoring required in clause 1 to 3 inclusive in this order undertaken at the Pit.

DATED at the City of Edmonton in the Province of Alberta, this 18 day of October 2023.

Heather Dent, Inspector
Regulatory Assurance Division-North

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

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

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

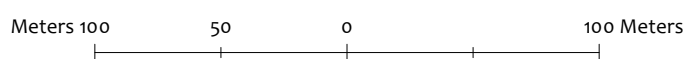
Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

APPENDIX A



Mantle Materials - Smoky Lake Pits
SML120005

Scale 1 : 3,000



- Cutline/Trail
- Two Lane Gravel Road
- Pit (22.15 ha)
- Dispositions

Information as depicted is subject to change, therefore the Government of Alberta assumes no responsibility for discrepancies at time of use.
©2023 Government of Alberta
Service Layer Credits: Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community
Resolution: 0.5m
Accuracy: 5m
Imagery Date: 20220830
Source: Maxar



Coordinate System: NAD 1983 UTM Zone 12N
Produced by Northeast Geospatial Unit
Created by: rhonda.connors on 10/6/2023
Project # NE-0817_SML120005
Base Data provided by the Government of Alberta under the Alberta Open Government Licence.

APPENDIX B

CONSERVATION AND RECLAMATION
BUSINESS PLAN


AND

ADDENDUM

APPROVAL FOR

SURFACE MATERIAL LEASE NO

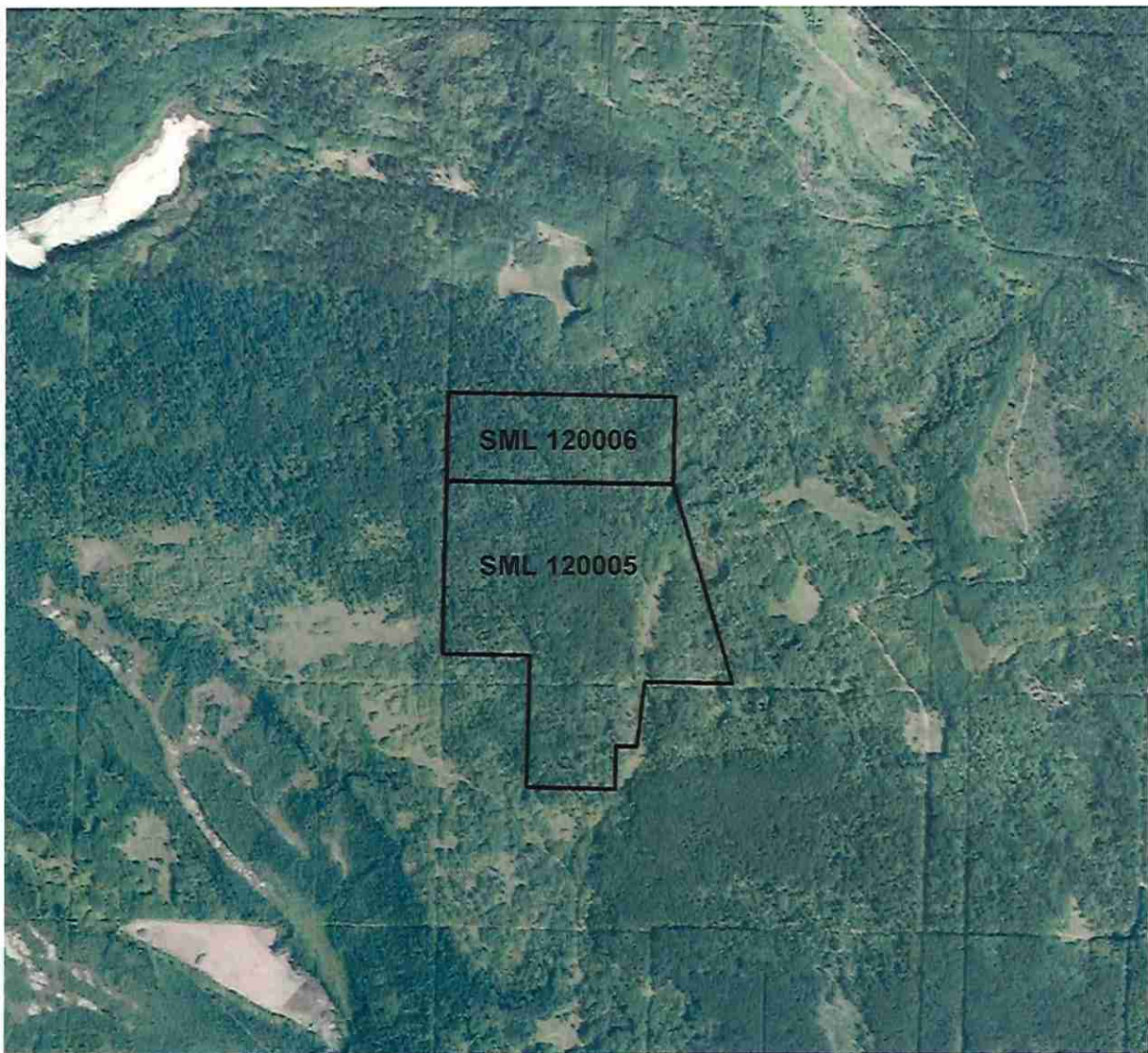
SML 120005

Conservation and Reclamation Business Plan
Plan Approved Date: 07.5/17
ORE no. 140072

The Director of Land

Conservation and Reclamation Business Plan

Surface Materials Leases

SML 120005 & SML 120006



SML Boundary over air photograph (Valtus Image, July 31 to Sept. 2011)

Sketches and illustrations are conceptual composites

*Prepared for Jordan Ball and Cathy Ball by Tor Land Resource Inc.
Revised September 2016; Created December 2013*

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

PREFACE

This is the revised Conservation and Reclamation Business Plan (CRBP) for SML 120005 and SML 120006. Changes from the original SML are found in **blue font**. Figures, tables, reports and drawings found throughout the document have also been updated to match the revised CRBP or added to provide clarity.

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

SUMMARY

SML 120005 and 120006 are located within parts of NW and SW 14-061-18-W4M. The Leaseholders plan to extract the sand and gravel within the lease areas to meet the demand for aggregate for private and public projects in Smoky Lake County, Sturgeon County and the Edmonton area.

The area is currently treed and has a grazing lease. Lease holder letters of consent are attached (Appendix E).

The site is accessed from the south by Range Road 181 and undeveloped government road allowances.

The SMLs are in a remote location, far from homes and recreation areas; neighbouring activities are industrial, and the area does report as a sensitive area for long-leaved bluets (*Houstonia longifolia*). A site investigation determined they are not present within the SMLs.

A wildlife survey was conducted in the SML to determine if any "Sensitive" species were present. Of the six sensitive bird species reported, the Least Flycatcher and Western Wood-pewee are of most concern as the SML areas have ideal for foraging and nesting. However, impact on these birds and all wildlife in the area will only be temporary. Tree clearing will occur prior to March 15th, or following a site-review to ensure that the nesting of migratory birds is not disturb. The site will be developed in stages and progressively reclaimed to grazing land as requested by AEP field office. Grazing land will provide more edge habitat and open space, which is ideal for the Least Flycatcher, and Western Wood-pewee.

The site will be cleared in multi phases and trees will be salvaged. Arrangements will be made with Vanderwell Contracts Ltd. or with any other available logging company, once approval is given.

The reclaimed site will be suitable for grazing, although it is recommended that the area be returned to wildlife habitat by the wildlife biologist. The slopes and topography of the reclaimed site will be gentle and rolling hills. Revegetation by natural succession is expected during the phased operation. Native trees will be transplanted in islands from the next area to be cleared and will supplement native revegetation from the seedbank within the salvaged soils. As the reclamation is monitored, additional seeding of native seeds will enhance revegetation.

Conservation and Reclamation Business Plan
 Applicant: Jordan Ball and Cathy Ball
 Parts of NW and SW 14-061-18-W4M
 SML 120005 and SML 120006

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Conservation and Reclamation Business Plan
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 Parts of NW and SW 14-061-18-W4M
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- Appendix B: Soil Survey Report
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Conservation and Reclamation Business Plan
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1.0 INTRODUCTION

1.1 Development Overview

The bulk volume of mineable aggregate in SML 120005 (Jordan Ball) and SML 120006 (Cathy Ball) is approximately 3,960,730 m³; the leaseholders propose to extract aggregate for private and public projects in Smoky Lake County, Sturgeon County and the Edmonton area. It is estimated that the gravel will be removed from the SMLs over a period of 10 to 15 years; however, market demand will significantly affect the timing for completion.

Mining is sequenced within two large mining blocks, MB1 and MB2, which are subdivided into sub-blocks for the purpose of illustration of the progressive reclamation. The operation, including the progressive reclamation and reclamation phase, is illustrated in five phases (see Appendix F, DWG 2).

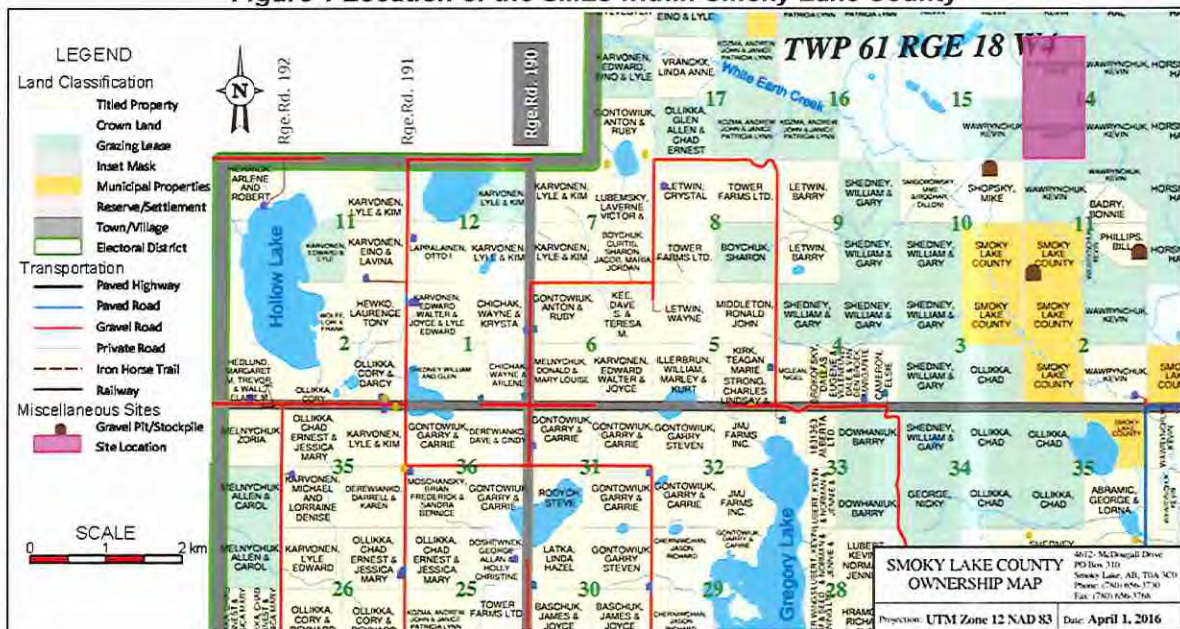
Operations will include tree clearing and salvage, soil stripping and salvage, aggregate excavation, crushing, screening and stockpiling. A temporary portable asphalt plant may produce product for infrequent short periods under the [Code of Practice for Asphalt Plants](#).

Once mining operations are complete, the site will be reclaimed to a treed and grass environment suitable for wildlife habitat.

1.2 Location and Ownership

The Crown Dispositions are located approximately 26.2 km (driving distance) north of Smoky Lake within parts of NW and SW 14-061-18-W4M in Smoky Lake County (as seen in Figure 1).

Figure 1 Location of the SMLs within Smoky Lake County



Source: Smoky Lake County; accessed June 16, 2016 [1]

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

2.0 MUNICIPAL REQUIREMENTS

2.1 Development Permit

The lease holders will apply for and maintain a Development Permit from Smoky Lake County.

3.0 ALBERTA GOVERNMENT REQUIREMENTS

3.1 Alberta Land Survey

Alberta Public Land Survey surveys were completed for the SML's boundaries by Gillmore Surveys (Arctic) Ltd. and the survey plan are dated November 5, 2013 (Appendix A).

4.0 ACCESS

4.1 Transportation Plan/Haul Route

Access to the site is along the west side of SML 120005 (see Appendix F, DWG 2). Hauling will be the access approximately 0.7 km south and 1.6 km east along the undeveloped Road Allowances. Then, it continues south along range road 181. From range road 181, trucks can continue south, or go east or west. A development permit from Smoky Lake County will address the haul route.

5.0 SITE EVALUATION

5.1 Site Assessment Method

On-site assessment was conducted during the testing phase on November 22, 2011. Further analyses were completed by examining test data (Appendix A) and by referencing various maps, reports, websites, and etc. (see References section). The Geographic Land Information Management Planning System (GLIMPS) was searched on October 08, 2013 to determine other interest holders. The Alberta Energy Regulator (AER) Landscape Analysis Tool (LAT) was referenced to identify areas of special concern (Appendix D) [2]. Base data and geo-referencing information were obtained from Abacus Datagraphics [3] and AltaLis [4].

5.2 Testing

Testing of this area was completed November 23 to 26, 2011 as part of SME 100280; 15 test holes within the SML boundaries and 14 near the SML boundaries were drilled using a tracked skid steer with a 6 inch diameter flighted auger system. Rock content was determined by auger resistance and the matrix was observed as the augers brought the materials to the surface. Test logs are provided in Appendix A and test locations are shown on DWG 1A, 1B.

The client completed additional logs from excavator test pits on March 05 to 09, 2012 and March 15, 2012. The locations of these test holes and test logs are provided in Appendix B and on DWG 1C.

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

5.3 Depth and Volume of Deposit

The sand overburden depth ranges from 0 to 3.6 m, and where present, is on average 1.5 m deep. Where mineable gravel is present, the thickness of the gravel units range from 0.6 m to 12.8 m and are on average 6.6 m. Most commonly, gravel is at the surface and there is a second mineable gravel layer below sand or low rock content gravel. These sand and low rock content gravel layers and lenses range in thickness from 0.6 to 5.4 m and are on average 2.7 m. The maximum depth of excavation will be 18.2 m.

The volume of gravel in each SML is estimated below:

- SML 120005: 3,479,300 m³
- SML 120006: 481,430 m³

The quality of the gravel unit ranges from medium (35 to 50% rock content) to high (greater than 50% rock content) and the gravel is within a sand matrix.

6.0 AREAS OF REGULATORY CONCERN

6.1 Wildlife and Vegetation Sensitivities

No plant or animal species with “At-risk” status are known to occur in the area [3], [5]. AER LAT reported no special features (wildlife or regions) in the SMLs [2], and the Fish and Wildlife Management Information System (FWMIS) reported no species present (fish or wildlife) in 3 km radius from the area, so a second report with a 5 km radius was generated [6]; both reports are found in Appendix D. A wildlife survey was conducted on July 15, 2016 by Beth MacCallum (P. Biol. MEDes), who was assisted by Manna Parseyan (Tor Land Resource Inc. Planner) and guidelines specified in [Sensitive Species inventory Guidelines](#) will be followed. It was reported that on site:

- 23 bird species were observed
 - o 17 are currently listed as “Secure”
 - o 6 are currently listed as “Sensitive”
 - o no Sharp-tailed Grouse, waterfowl, boreal raptors, or owls occurrences
- couple occurrences or sightings of black bear, coyote, red squirrel, ground squirrel, moose, and deer
- no amphibians occurrences

See section 7.4 or the Wildlife Report in Appendix D for more information.

Alberta Conservation Information Management System (ACIMS) data search results reported that the SMLs are within a sensitive area for long-leaved bluets (*Houstonia longifolia*) [7]. A detailed site investigation was carried out for long-leaved bluets; however, there were no occurrences of the sensitive species (see Appendix C for more details).

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

6.2 Migratory Birds

The nesting period for migratory birds is from early April to August 31 [8]. Clearing will take place either prior to March 15, or if clearing is to take place during the nesting period, the operator will consult with a qualified professional to inspect the area to ensure there are no active migratory bird nests present prior to clearing the vegetation. If any active nests are found, those areas will not be disturbed until the qualified professional advises it is safe to do so.

6.3 Fisheries Act

Pit operations in the SMLs will not affect fish or fish habitat. White Earth Creek is located approximately 1350 m south of the SML 120005. Along all SML boundaries surface runoff will be retained on-site because slopes dip towards the centre of the SMLs (DWG 3A, 3B, 3C, 4). Surface runoff will not be pumped off the SMLs. Progressive reclamation will begin as soon as possible to re-establish vegetation.

6.4 Historical Resources

The current Historical Sites and Areas Document were reviewed and an HRV is not assigned for these areas (19). Signed Applications for Historical Resources Act Clearance are included in Appendix C.

6.5 Parks/Other Protected or Special Areas

The nearest park/protected/special area is Hanmore Lake Provincial Recreation Area, located approximately 3.6 km (straight line) northeast of SML 120006. The SML is far enough away from the park that no impact will occur to the features within the park, and recreational users will not see or hear pit activities.

The SMLs do not lie within or adjacent to a Natural Area, Eco-reserve, or Heritage Rangeland. There are no known permanent or research sample plots, or Rangeland Benchmarks within 100 m of the SML boundaries.

6.6 First Nations Consultations

First Nations consultation with Saddle Lake, Whitefish (Goodfish), and Beaver Lake First Nations is complete (FNC # 201300671 and FNC # 201300557) (found in Appendix E).

6.7 Other Interest Holders

There are few interest holders in this area. Within W½ 14-061-18-W4M:

- TPA 951 Elmer Cardinal
- GRL 40194 Kevin Wawrynchuk
- LOC 080963 Canadian Natural Resource Limited
- MSL 081288 Canadian Natural Resource Limited
- PNT 830854 Athabasca Office - Rangeland District - Lands Division

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- DRS 000006 Transportation
- CRP 040034 Transportation
- PLA Canadian Natural Resource Limited

An agreement has been reached with GRL 40194 holder Kevin Wawrynychuk (found in Appendix E), and a notification will be sent to Elmer Cardinal (holder of TPA 951) 10 days prior to project development, as suggested in [Guidelines for Acquiring Surface Material Dispositions on Public Lands](#) [9]. No FMA holder for this area.

7.0 EXISTING LAND USE & BIOPHYSICAL CONDITIONS

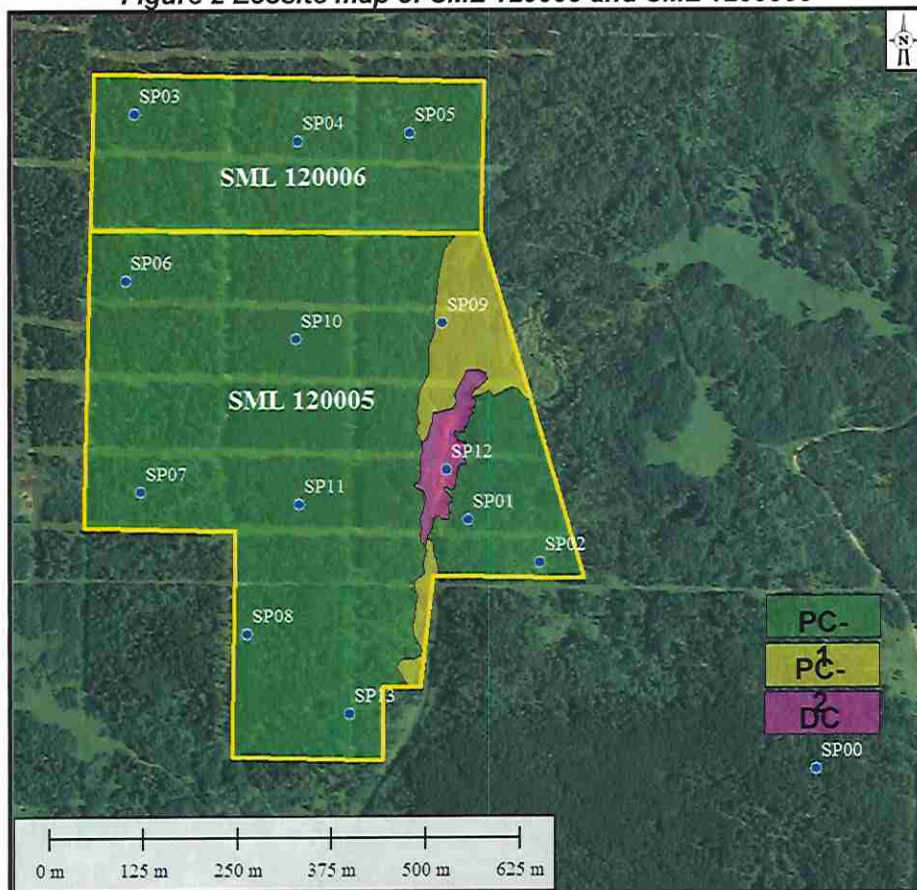
7.1 Existing Land Use and Disturbances

The SMLs area is currently forested wildlife habitat and a grazing lease area. There are trails and cutlines in the area (DWG 1A, 1B). Existing site conditions are described in Appendix B (soil), Appendix C (vegetation) and Appendix D (wildlife); the assessments were carried out by qualified team members.

7.2 Vegetation

The SMLs lie within the Central Mixedwood subregion of the Boreal Forest natural region [10]. The vegetation is dominated by mature spruce (70%). The forest is mixedwood ("CD" 70-50% coniferous trees). The ratio of spruce to pine is estimated at 4 to 1 and the ratio of aspen to other deciduous trees is estimated at 9 to 1.

Figure 2 Ecosite map of SML 120005 and SML 120006



Source: Valtus Imagery Inc. [11]; altered in Global Mapper

The ecosite polygons were delineated on 1:3200 scale aerial photograph, as seen in Figure 2. Undisturbed plant communities were classified using the dichotomous keys and plant community indicators described for the Boreal Mixedwood natural region in Field Guide to Ecosites of Northern Alberta [12], summarized in Table 1. The disturbed and grazed area could not be classified to a natural plant community type. Please refer to Appendix C, under Ecosite Classification for more information.

Table 1 Natural and disturbed plant community types observed on-site [12]

Figure Label	Ecosite Code and Name	Ecosite Phase Code and Name	Plant Community Code and Name	Area (ha)
PC -1	b – blueberry	b1 – blueberry Pj-Aw	b1.1 – Pj-Aw/blueberry-bearberry	38.9
PC -2	d – low-bush cranberry	d1 – low-cranberry Aw	b1.2 – Aw/saskatoon-pin cherry	2.2
DC	disturbed, cleared, and grazed area			0.8

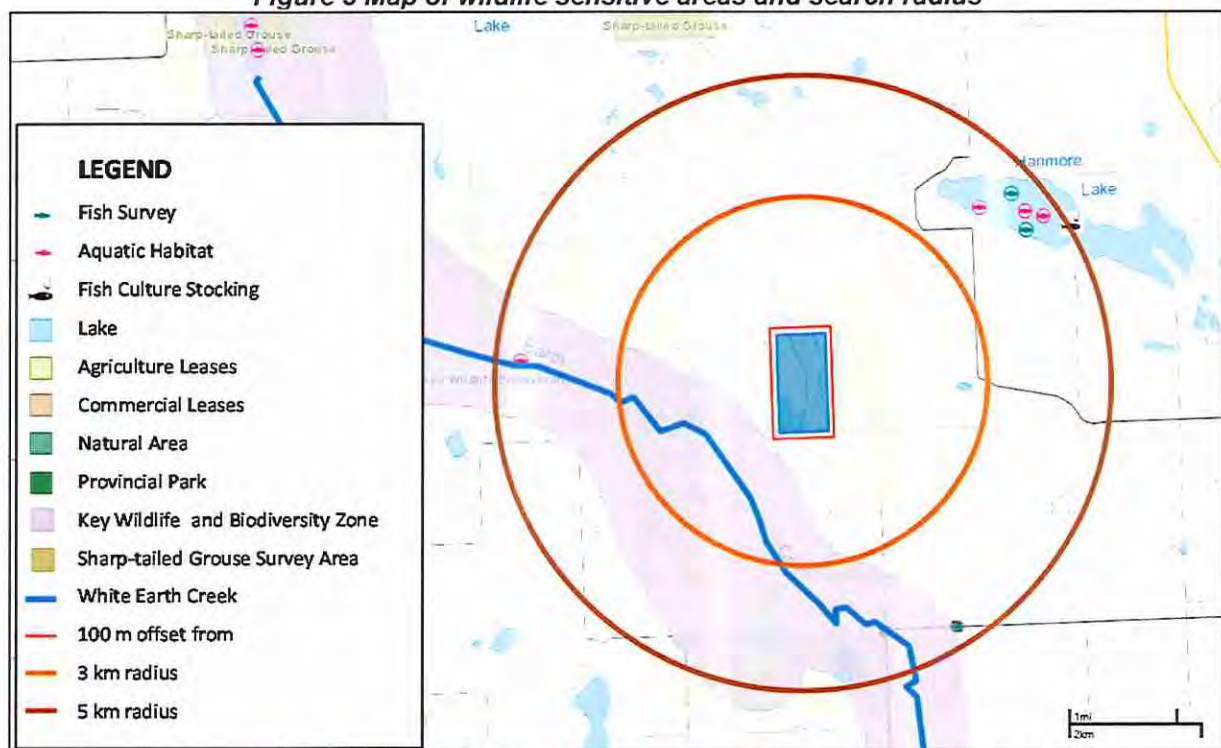
7.3 Forest Capability

The Canada Land Inventory for Forestry classifies the majority of the lease areas as 80% Class 5MF and 20% Class 6W [13]. The site has moderately severe to severe limitations to the growth of commercial forests due to soil moisture deficiency, low fertility, and soil moisture excess.

7.4 Wildlife

As previously mentioned the AER LAT and FWMIS reported no sensitive features, or wildlife and fish inventory. The search radius used in FWMIS was increased from 3 km to 5 km. As seen in Figure 3, the 5 km radius includes more of the Key Wildlife and Biodiversity Zone and Hanmore Lake and starts to approach the Sharp-tailed Grouse Survey Area north of the site. The wildlife survey conducted on July 15, 2016 found no evidence of Sharp-tailed Grouse. Sharptails choose habitat based on openness of landscapes, and prefer low density Boreal forest. The open landscape enables aggressive displays by males, while the sparse vegetation provides cover from predators. This type of habitat is only found in a small area on the SW corner of the lease.

Figure 3 Map of wildlife sensitive areas and search radius



Source: [Fish and Wildlife Management Information System](#); accessed June 21, 2016

Using the 5 km radius, Table 2 summarizes the “Sensitive” species reported by FWMIS.

Table 2 Summary of sensitive species reported by FWMIS [6]

Common Name	Scientific Name [14]	2010 Status [15]	Typical Habitat [16] [17]
Canada Lynx	<i>Lynx canadensis</i>	Sensitive	Forest
Western Toad (Boreal Toad)	<i>Anaxyrus boreas</i>	Sensitive	Ponds, streams, or lakes
Common Yellowthroat	<i>Geothlypis trichas</i>	Sensitive	Scrub (wetlands/praries/forest)
Great Blue Heron	<i>Ardea herodias</i>	Sensitive	Marsh
Great Gray Owl	<i>Strix nebulosa</i>	Sensitive	Dense timber
American Green-winged Teal	<i>Anas crecca</i>	Sensitive	Marsh
Least Flycatcher	<i>Empidonax minimus</i>	Sensitive	Forest
Lesser Scaup	<i>Aythya affinis</i>	Sensitive	Ponds, or lake
Sandhill Crane	<i>Grus canadensis</i>	Sensitive	Marsh
Sedge Wren	<i>Cistothorus platensis</i>	Sensitive	Marsh
Sora	<i>Porzana carolina</i>	Sensitive	Marsh
Western Wood-pewee	<i>Contopus sordidulus</i>	Sensitive	Woodland edges or riparian zones

Due to the possibility of sensitive species being found on-site, a wildlife survey was conducted by Beth MacCallum (P. Biol. MEDes) on July 14 and 15, 2016. Please refer to the Wildlife Survey (in Appendix E) for complete observations and comments. The only sensitive species that were observed on or in the vicinity of the SMLs were:

- Barn Swallow (*Hirundo rustica*), Least Flycatcher (*Empidonax minimus*), and Western Wood-pewee (*Contopus sordidulus*) were seen on site
- signs of Pileated Woodpecker (*Dryocopus pileatus*) foraging in the study area
- common Nighthawk (*Chordeilis minor*) was heard on the road between study areas
- Black Tern (*Chidonais niger*) was observed from HWY 28

However, no roost sites were found for the Barn Swallows and the jack pine trees were too small for the Pileated Woodpecker to nest, so the SMLs are probably only used as foraging areas. The common Nighthawk was only heard when on the forest road, and is reported to nest in a wide range of habitats; therefore is not exclusive to the SML areas. The habitat for the Black Tern does not occur within the SMLs, and the one observed most likely nest on Smoky Lake. The only sensitive birds of concern are the Least Flycatcher and Western Wood-pewee, however they were no common to the area, and prefer edge habitat and open spaces, therefore there displacement from the SML areas would only be temporary. There were no occurrences of waterfowl or shorebirds on, due to the lack of waterbodies or wetlands in the area.

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In terms of mammals, typical species were found. There were signs of black bears, coyote, moose and deer in the area, and a Red squirrel, a Richardson's Ground squirrel, and whitetail deer were observed. No amphibians were found on site.

Overall, the area with the SMLs was not found to have any unique wildlife habitat, compared to the surrounding area, therefore no permanent impact is expected on the wildlife in this area. Migratory birds may nest within the site; therefore, tree clearing activity will be conditional (see section 6.2). The SML will be developed in phases and progressively reclaimed to minimize the length of time that wildlife is displaced. The site will be reclaimed through natural regeneration and succession, and tree planting. The reclaimed land will be grazing land as requested by AEP field office.

7.5 Soils

Regional soil studies describe the soils in the areas as follows:

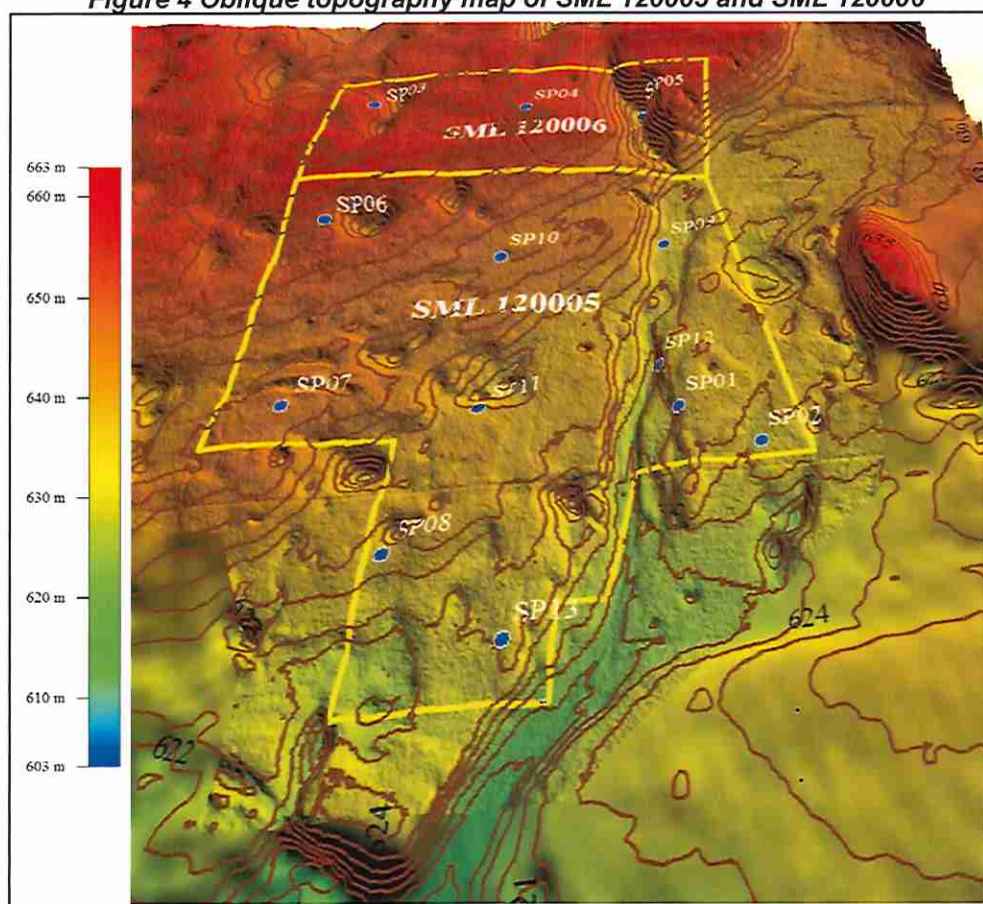
- Orthic gray luvisol and dark gray luvisol; the area contains soils that are coarser textured than the dominant or co-dominant soils (AGRASID Soil Polygon 21830) [18]
- 50% degraded dystic brunisol, loamy sand, rapidly drained (Nestow); 30% degraded eutric brunisol, coarse loamy sand, rapidly drained (Edwand); 20% degraded eutric brunisol and brunisolic gray luvisol, sandy loam and loamy sand, rapidly drained (Nicot Complex) [19], [20]

The initial site visit in November 23 to 26, 2011 and subsequent observations (22 back hoe excavation carried out in March 05 to 09, and March 15, 2012) indicate that the thickness of topsoil varies across the site. Most recently, a soil survey was completed on July 14 and 15, 2015. Refer to Appendix B for a plan-view map of sampling location and an observations summary.

7.6 Topography

The topography is gently rolling to hummocky. Slopes range from gentle [6-9% (10:1)]. Figure 5 shows the topography of the area, and the statistics are summarized in Table 3.

Figure 4 Oblique topography map of SML 120005 and SML 120006



Source: LiDAR Data sourced from AltaLis [4]; contours added in Global Mapper

Contours at 1m intervals were generated in Global Mapper software from bare earth LiDAR data, which was collected between August and November of 2009. The image has been vertically exaggerated 5 times.

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Table 3 Topographic statistics of SMLs from Global Mapper

Parameter	Unit	SML 120005	SML 120006
perimeter	(km)	2.59	1.44
area	(ha)	31.58	10.54
surface area	(ha)	31.65	10.57
minimum elevation	(m)	620.13	624.07
minimum elevation	(x)	396158.28	396222.23
minimum elevation	(y)	6014819.69	6015576.73
maximum elevation	(m)	634.76	635.62
maximum elevation	(x)	395809.61	395799.69
maximum elevation	(y)	6015524.81	6015553.90
average elevation	(m)	627.21	632.62
mode elevation	(m)	629.10	634.00
standard deviation elevation	(m)	2.76	2.24
maximum slope	(deg)	24.06	21.00
maximum slope	(%)	44.65	38.38
average slope	(deg)	3.14	3.62
average slope	(%)	5.49	6.32
standard deviation slope	(deg)	2.10	2.69
standard deviation slope	(%)	3.67	4.70

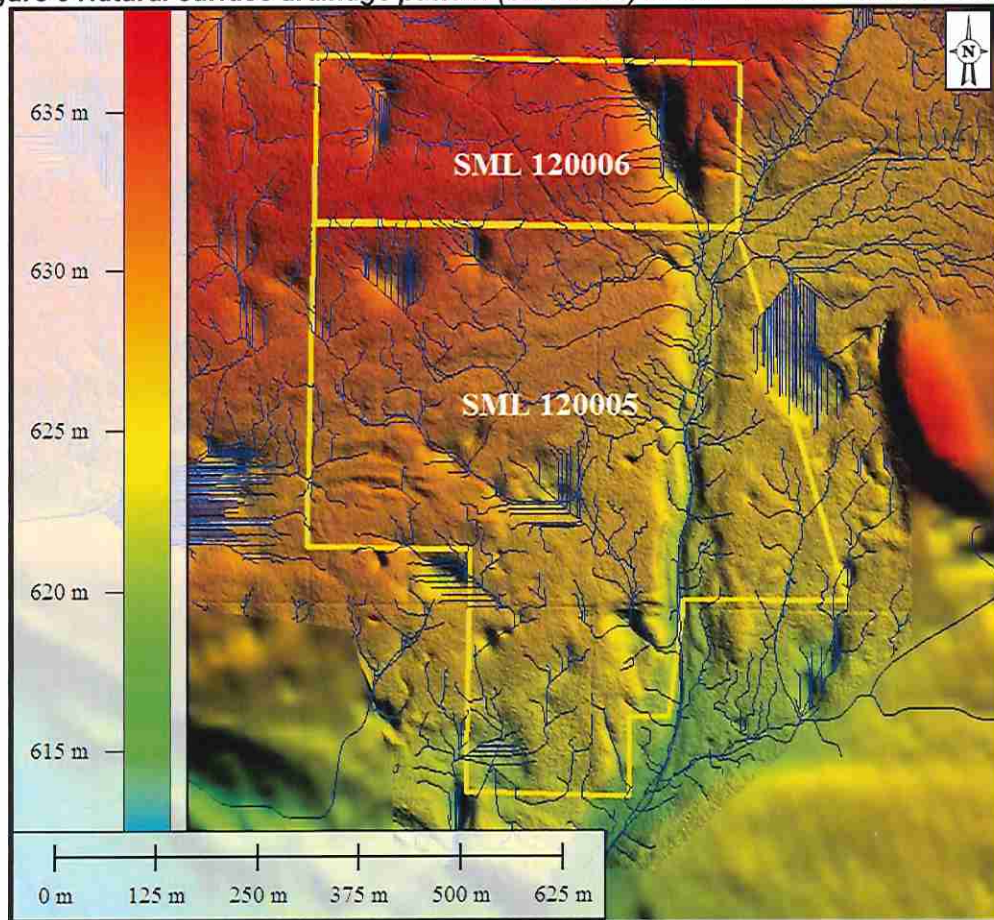
7.7 Storm Water and Surface Drainage

The site does not contain and is not adjacent to a permanent water body. There is an ephemeral draw, which is shown on the Smoky Lake County Ownership Map passing through the SMLs (see Appendix F, DWG 1A, 1B) [11]. Local surface drainage patterns are likely where hummocks are present. The general direction of surface drainage is from north to south, see Figure 5. Overland flow is unlikely because the permeable gravel deposit is at the surface – rainfall and snowmelt infiltrate the gravel before flowing in the subsurface towards the lower south.

A temporary portable asphalt plant will be located on a compacted pad. Berms will be constructed around the asphalt plant and asphalt haul route to contain any surface runoff. A HDPE liner will be installed under oil transfer area (see section 9.5 for more information about asphalt plant).

Along all SML boundaries, surface runoff will be retained on-site because slopes dip towards the centres of the SML areas (DWG 3A, 3B, 3C and 4). Surface runoff will not be pumped off the SMLs. Progressive reclamation will begin as soon as possible to re-establish vegetation.

Figure 5 Natural surface drainage pattern (blue lines) in SML 120005 and SML 120006



Source: LiDAR Data sourced from AltaLis [4]; contours added in Global Mapper

7.8 Hydrogeology

The closest water well is located in SW 22-061-18-W4M (1827830) which is more than 5 km away from the SMLs [21]. It is an Alberta Environment monitoring well. The extraction operation operations are dry and far enough from the water wells that no impact is expected.

Only one test hole within SML 120006 (TL 51 at 12.8 m) encountered wet materials (Appendix A, DWG 1A, 1B). The water table has not been established in the SML areas. The operations will be dry.

It is likely that the SMLs are recharge areas because coarse materials are at the surface, and no springs or water bodies occur in the SML areas.

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7.9 Geology

The bedrock in the SML area is from the Late Cretaceous Belly River group: non-marine, grey to greenish grey, thick-bedded, feldspathic sandstone; greys clayey siltstone, grey and green mudstone; concretionary ironstone beds [22]. No test holes or test pits intersected the bedrock.

The leases are located on a rolling and hummocky plain that is adjacent to and oriented parallel with a melt water channel that is occupied by the modern White Earth Creek. The geological origin of the sand and gravel is likely ice-contact fluvial [23].

7.10 Stratigraphy

The stratigraphy varies across the SMLs (DWG 3A, 3B, 3C). Generally, there is an alternating sequence of gravel and sand. Most commonly, gravel is at the surface and there is a second mineable gravel unit below a layer or lens of sand or low rock content gravel. There are places where the sand unit below gravel outcrops as overburden. There are also places where discontinuous sand bodies overly the topmost gravel unit. In the north west of SML 120006 the material is sand dominated (DWG 3A, 3B, 3C).

The quality of the gravel unit ranges from medium (35 to 50% rock content) to high (greater than 50% rock content).

8.0 DEVELOPMENT PLANNING

8.1 Buffers and Setbacks

There will be an undisturbed buffer of a minimum width of 3 m from the boundary of the SML. The buffer will protect tree roots of trees adjacent to the boundary and minimize fall-in.

A maximum setback of 45 m is shown along all SML boundaries. Setback was calculated by multiplying the average maximum depth of the excavation (15 m) by 3 (for a slope of 6:1). The setback may be mined if there is sufficient overburden or elimination for reclamation or the depth of excavation is less than 15 m.

The maximum pit size is estimated to be 42 ha, and volumes of material mined are

Table 4 Bank volumes of material mined

Material	Average Depth (cm)	Approximate Volume (m ³)
Topsoil	7.8	32,000
Subsoil	9.6	40,000
Overburden	1,500	630,000
Sand	2,700	1,134,000
Reject Material	-	7,500,000

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Reject material refers to aggregate rejected due to poor quality, high sand content, and screenings from the crushing process. The maximum amount of material required to produce 6:1 slope over a perimeter of 3000 m is approximately 1,012,500 m³. It is expected that the volume of overburden and sand will produce the required slopes; additionally, a significant volume of reject material will be left for sloping and contouring.

8.2 Site Preparation

Prior to clearing an AEP Timber Permit will be applied for. The salvage of the predominant jack pine will be completed by either Vanderwell Contractors Ltd. or other available logging companies in the area. It is estimated that approximately 3 to 4 truckloads will be removed per hectare. Tree clearing will occur in two phases, see section 8.3, Table 5 and Table 6 for sequencing or see Appendix F, DWG 2 for illustrations; tree clearing will be approximately 2 mining blocks ahead of stripping and development. The timing will be primarily market driven with the exception of wildlife consideration. Tops of conifers will be salvaged for seed distribution during reclamation. Logs and salvageable debris will be hauled off-site.

The majority of unsalvageable wood debris will be burned and minimize fire hazard (municipal permit will be acquired and plans to burn will be discussed with the AEP Field office). The remaining wood debris will be used for roll-back and be partially buried within the topsoil as a temporary erosion control (as suggested in section 8.7 [Guidelines for Acquiring Surface Material Dispositions on Public Lands](#) [9]). The partially buried wood debris as roll-back will provide suitable microsites for seed establishment and small animal habitat; access by recreational ATVs will also be minimized by roll-back.

Topsoil (A horizon and the duff layer) and subsoil will be stripped and stockpiled separately as seen in Appendix F, DWG 2. Overburden (where available) will be stripped in a separate lift to expose the minable aggregate. As summarized in Table 4, there will be approximately 32,000 m³ of topsoil and 40,000 m³ of subsoil.

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8.3 Mining Sequence

The planned clearing, mining, progressive and full reclamation activities are summarized in Table 5, and Table 6 breaks down the development and mining sequence into phases. Refer to Appendix F, DWG 2 for visual presentation of mining sequence.

Table 5 Summary of development, reclamation, and monitoring activities

Site Location	W1/2 Sec 14- 061-18-W4
Site Dimensions	SML120005 (31.61 ha) SML120006 (10.40 ha) Total = 42.01 ha
Development Design	Two Logging Phases within the 5 Phases of mining and reclamation. Sequential Mining and Concurrent Aggressive Progressive Reclamation is sequenced through 6 Mining Blocks (MB1A, MB1B, MB1C, MB2A, MB2B, MB2C). An initial stockpile and processing area (SP1) is centrally located and covers a combined area of 5ha comprised of parts of MB1A (1.0 ha), MB1C (1.0 ha), MB2A (1.5 ha), MB2C (1.5 ha). A second position of a stockpile and processing area (SP2) comprises 5 ha within MB1A and MB2C and replaces SP1).
Excavation Depths	Topsoil (TS) A horizon avg. 7.8cm; Subsoil (SS) B horizon avg. 9.6 cm; Overburden range 0 - 3.6 m; overburden avg. 1.5 m; Maximum depth of excavation is 18.2; depth of excavation avg, 15 m
Reclamation & Restoration	Aggressive progressive reclamation will be implemented concurrently with mining within each of the six mining blocks (MB).
Logging	Salvage, then clear, burn excess, and stockpile debris (debris burned, then stockpile chopped and compact to 2 m or less in height and covered with topsoil).
Logging Blocks	22.0 ha total: 22.0 ha within SML120005; 00.0 ha within SML120006 20.0 ha total: 9.6 ha within SML120005; 10.4 ha within SML120006
Stripping	Strip and stockpile soils: TS (7.8 cm), SS (9.6 cm), higher quality OB (1.5 m, where available); will be stockpiled separately. Strip and move poorer quality OB and place directly ready for progressive contouring as possible. Ready contoured areas, including de-compaction for direct placement of soils as possible to start early re-vegetation program.
Progressive Reclamation	Ongoing weed control; sloping, contour using elimination and poorer quality OB; de-compaction; placement of higher quality OB and light contouring; placement TS/SS with roll-back; 'Islands' of surface vegetation and tree transplant from next stripping area; monitor and application of cover crop and native seeds to enhance restoration; design to restrict public vehicle access including gating.
Monitoring Progressive Reclamation	Monitor and mitigate: weed control; erosion control; success of natural re-vegetation, to enhance transplantation; to use or extend cover crop; to extend use of native seed (use only certified seed).
Full Reclamation	Ongoing weed control; add 'Islands' of surface vegetation and tree transplant from next stripping area; add application of native seeds to enhance restoration as necessary (use only certified seed); design to discourage public vehicle access
Monitoring Full Reclamation	Monitor and mitigate: weed control; erosion control; success of natural re-vegetation, to enhance transplantation; to use or extend cover crop; to extend use of native seed (use only certified seed). Monitor and mitigate: return of wildlife; impact from adjacent activity.

Table 6 Phase summary of development, mining, and reclamation

	Logging	Stripping	Mining	Progressive Reclamation	Monitoring Progressive Reclamation	Full Reclamation	Monitoring Full Reclamation
PHASES (Est. Duration of phases 1 to 4 years)	1	MB1A, MB1B, MB1C, SP1	MB1A, MB1B, SP1	MB1A, MB1B	MB1A (perimeter areas), Part MB1B (follow mining)	2-6 weeks initial, Spring, Summer, Fall	
	2	MB2A, MB2B, MB2C	MB1C, MB2A	MB1C, MB2A	MB1A (perimeter areas), MB1B, MB1C (follow mining), Part MB2A (follow mining)	2-6 weeks initial, Spring, Summer, Fall	Spring, Summer, Fall
	3		MB2B, SP1	MB2B	MB1A (perimeter areas), MB2A, Part MB2B (follow mining)	2-6 weeks initial, Spring, Summer, Fall	MB1B, MB1C Spring, Summer, Fall
	4		MB2C	MB2C	MB1A, MB2A, Part MB2B (follow mining)	2-6 weeks initial, Spring, Summer, Fall	MB1B, MB1C, MB2A Spring, Summer, Fall
	5				MB2B, Part MB2C (follow mining)	2-6 weeks initial, Spring, Summer, Fall	MB1B, MB1C, MB2A, MB2B Spring, Summer, Fall
	6				MB2C, Part MB1A (move and reduce processing and aggregate stockpile area)	2-6 weeks initial, Spring, Summer, Fall	Part MB1A MB1B, MB1C, MB2A, MB2B, MB2C Spring, Summer, Fall
	7				Part MB1A (move and reduce processing and aggregate stockpile area)	2-6 weeks initial, Spring, Summer, Fall	All of site MB1 and MB2 Spring, Summer, Fall
	8						All of site MB1 and MB2 Spring, Summer, Fall (Minimum 2 years)

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8.4 Inactive Pit Planning

During prolonged periods of inactivity, pit faces will be sloped to 3:1 to maintain stability and reduce erosion. Soil stockpiles will be seeded to reduce erosion and loss of material. Weed monitoring and control will continue to be conducted on a monthly basis (unless ground is frozen).

9.0 OPERATIONS PLANNING

9.1 Adverse Effects

Extraction of aggregate will decrease the biodiversity of the area; however, the area will be reclaimed to grazing land as per AEP Field recommendation.

Vegetation and wildlife assessments conclude that there are no unique or important vegetation communities or wildlife habitat in the area. A planned wildlife biologist's assessment however is pending. The soil assessment, site visits, and analysis of LiDAR data, concludes that there is a gully on the east side of the SML; the ecosystems within the gully does not vary from the surrounding area, and therefore is not an area of concern. There are no other topographical features, such as eskers, or sink holes, of interest or concern in the area. During extraction phases there is a concern for dust and noise. Dust mitigation and control measures will be implement to reduce its effects on air quality (see section 9.2) and therefore is not expected to have long term or permanent effects on the air quality. The noise created on site will have an impact on local wildlife; however, gravel extraction operations often have shown that many forms of wildlife are not significantly affected.

9.2 Dust Control

A speed limit of 15 km/h will be implemented in the active pit area and all loads of aggregate material will be covered or tarped to reduce the dust generated from the loads as the trucks move from the site and along the haul route. Covered loads are required for travel on public roads to prevent gravel and dust from falling off the trucks. The crusher system will be placed at the bottom of the pit when there is sufficient room for the equipment and crushing system. Active areas and haul roads will be watered during dry periods; however, ongoing monitoring of the dust that settles on nearby vegetation will trigger watering of the processing area and haul route. Water will be obtained off-site from an approved source.

9.3 Weed Control

During the site investigation on July 14 and 15, 2015, two types of weeds were found: white cockle (*Silene pratensis*), classified as a noxious weed, and annual Hawk's-beard (*Crepis tectorum*). When visible they will be hand-picked and disposed in containment.

To reduce introducing weeds to the site, vehicles will be cleaned regularly, topsoil and other materials will not be imported, and seed mixtures will be certified as free of weeds. For minor weed outbreaks, they will be hand-picked and disposed in containment. For larger weed

outbreaks spraying after full emergence but prior to flowering will be implemented following consultation with AEP field office. Weed removal will be done periodically by site personnel, but specifically before placement of topsoil and seeding. The site will be monitored for evidence of weeds and a weed identification reference will be made available to on-site personnel.

9.4 Noise Monitoring

All pit operations will be conducted in accordance with the provincial and municipal noise regulations. The proposed site is well-isolated from human settlement.

9.5 Wind and Water Erosion

The integrity of the soil stockpiles will be maintained by placing them at least 3 m away from the toe of any other existing stockpiles and 5 m from the edge of any pit faces. To reduce the potential for soil loss by erosion, soil stockpiles will be contoured and stabilized by seeding lightly according to Alberta Environment guidelines.

9.6 Waste and Hazardous materials

All combustible refuse will be stored in metal dumpsters and disposed off-site. All non-combustibles, petroleum materials and containers will also be disposed off-site facilities. On-site, all hazardous materials (fuel, oil, etc.) will be handled safely to prevent contamination of soil and water. Above ground storage tanks will have secondary containment that meets Alberta Environment's guidelines [24]. A spill kit will be kept on-site as a contingency in the event of a spill. Domestic refuse will be kept in animal proof containers and human waste will be managed in a self-contained portable toilet.

A temporary, portable asphalt plant will be operated in accordance with the Code of Practice for Asphalt Paving Plants; it will be placed on a compacted pad, and berm will be used to divert run-off from the pad. Berm material will come from SML 120005 and SML 120006. The asphalt plant, supporting materials, and resulting waste and reject materials will be located where soil has been stripped, overburden has been compacted and a HDPE liner will be installed to reduce the potential of contaminants infiltrating the soil. They will also be located as far away from reclaimed areas as practicable. Any spills resulting from the plant will be cleaned up immediately; clean up materials will be available on-site, and spent clean up materials that are kept on-site will be maintained in covered containers until disposed off-site at an appropriate facility.

9.7 Fire Protection

The area is not within a FireSmart Community Zone but the lease operator will implement strategies to minimize the risk of fire [25]. All combustible refuse will be stored in metal dumpsters and disposed off-site. If any woody debris is to be burned on-site (on the advice of the Forest Officer) the material will be placed on bare mineral soil and burned only under favourable wind, humidity and moisture conditions. With the advice of a Forest Officer, any

woody debris left on-site for reclamation purposes will be covered with soil to reduce the fire hazard.

10.0 RECLAMATION PLANNING

10.1 Sloping

The reclaimed slopes will be contoured to 6:1 or gentler. The topography of the reclaimed site will be relatively flat with surface variance due to contouring of undisturbed deposits of excessive sand. The site will be reclaimed to grazing land, as indicated on DWG 3A, 3B, 3C, and 4.

10.2 Decompaction and Soil Placement

All facilities including asphalt plant will be removed, and all wastes and any contaminated soils will be hauled off-site to an appropriate facility. Berms will be leveled if clean, if not they will be haul away.

The processing areas and all internal haul roads will be decompacted. These areas will be ripped to break up the surface and increase permeability prior to placing the soil.

At least 1.5 m of overburden and elimination materials will be placed on the pit floor (with poorer materials at the bottom) and most slopes will be contoured to 6:1 or gentler (DWG 3A, 3B, 3C). Soil will be replaced to a depth of 18 cm (average). Available woody debris will be rolled back to increase surface roughness and provide suitable microsites for seed establishment.

10.3 Revegetation

As the site is reclaimed the livestock will impact the effectiveness of revegetation; therefore, temporary fencing will be used until re-vegetation is successful. The reclaimed site will be vegetated through natural regeneration from the soil seed bank, transplanting to 'islands' of shrubs, various young trees, and a predominance of young jack pine trees transplanted from the next planned development mining block; native grass seed mixes geared to sandy soils will be requested and will be approved by the District Rangeland Agrologist, prior to use. As previously mentioned, tops of conifers will be salvaged for seed distribution during reclamation. Natural succession is expected to produce a sequence of native grasses, suckering aspen and shrubs, and over the longer term, regeneration of conifers.

The site will be monitored for vegetation growth and areas that are slow to grow will be seeded with native species or approved seed mixtures according to Alberta Environment guidelines [20].

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10.4 Reclaimed Wetland and Surface Drainage

DWG 4 illustrates the surface drainage pattern of the reclaimed site. Due to the coarse nature of the overburden and reject materials that will be replaced during reclamation, most drainage is expected to be subsurface rather than overland flow. The 6:1 slopes along the majority of the excavation area perimeter will ensure that most overland flow is retained on-site and eventually seeps through to the subsurface and follows the natural drainage pattern.

11.0 RECLAMATION SECURITY

In total, 42.01 ha (103.80 acres) of land will be cleared for development. Both SMLs will be cleared in phase 1:

	SML 120005	SML120006	Total
Phase 1	31.61 ha (78.11 acres)	10.40 ha (25.69 acres)	42.01 ha (103.80 acres)

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APPENDICES

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- Legal Survey Map
- Client Provided Test Data

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- Plant Species Observations
- Weed Survey Form and Observations
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- FNC Adequacy Assessment
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- DWG 1A: Existing Site/Planned Development with auger test holes
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APPENDIX A

- Legal Survey Map
- Client Provided Test Data

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Appendix A.1

Legal Survey Map

PLAN
SHOWING SURVEY OF
(SML 120006)
(For Surface Material Lease)
WITHIN

N.W.1/4 Sec.14-Twp.61-Rge.18-W.4 Mer

CATHY BALL
SMOKY LAKE COUNTY
ALBERTA

SCALE 1:5000
METRES
0 50 100 200 300 400 500
2013 D.C. GILLMORE, ALS

ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF.

AREA DEALT WITH BY THIS PLAN BOUNDED THUS AND CONTAINS 10.40 ha . . .

CALCULATED IS DENOTED THUS (Color)
COUNTERSUNK IS DENOTED THUS
EAST IS DENOTED THUS E
ESTABLISHED IS DENOTED THUS Est.
FOUND IRON POST IS DENOTED THUS Fd.
FOUND NO MARK IS DENOTED THUS Fd. No Mk.
HECHARE IS DENOTED THUS Hc.
MARKER IS DENOTED THUS Mk.
MARKER POST IS DENOTED THUS Mk. Post.
MORGAN IS DENOTED THUS Mer.
NORTH IS DENOTED THUS N
POINT IS DENOTED THUS Pt.
RANGE IS DENOTED THUS Rge.
RIGHT OF WAY IS DENOTED THUS R/W
SECTION IS DENOTED THUS Sec.
SOUTH IS DENOTED THUS S
STATUARY IRON POST FOUND SHOWN THUS S.I.P.
STATUARY IRON POST PLANTED SHOWN THUS S.I.P.P.
WEST IS DENOTED THUS W

PLAN DATUM

THE GEO-REFERENCED POINT IS A FOUND STATUARY IRON POST, AND IS DERIVED FROM PUBLISHED A15 COORDINATES.

HORIZONTAL DATUM NAD83
PROJECTION UTM
DESCRIPTION N.E. 15-61-18-4, DENOTED THUS RP
NORTHING 6016133.922
EASTING 395772.129
COMBINED SCALE FACTOR 0.999634
CENTRAL MERIDIAN 111° W.

I, Duncan C. Gillmore, Alberta Land Surveyor, solemnly declare that the survey represented by this plan was made under my personal supervision, the survey was made in accordance with good surveying practices and in accordance with the 18th Day of October 1985, the survey was performed between the dates of 18th Day of October 2013 and 18th Day of October 2013, and that the plan is true and correct, and is prepared in accordance with the provisions of the Survey Act, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

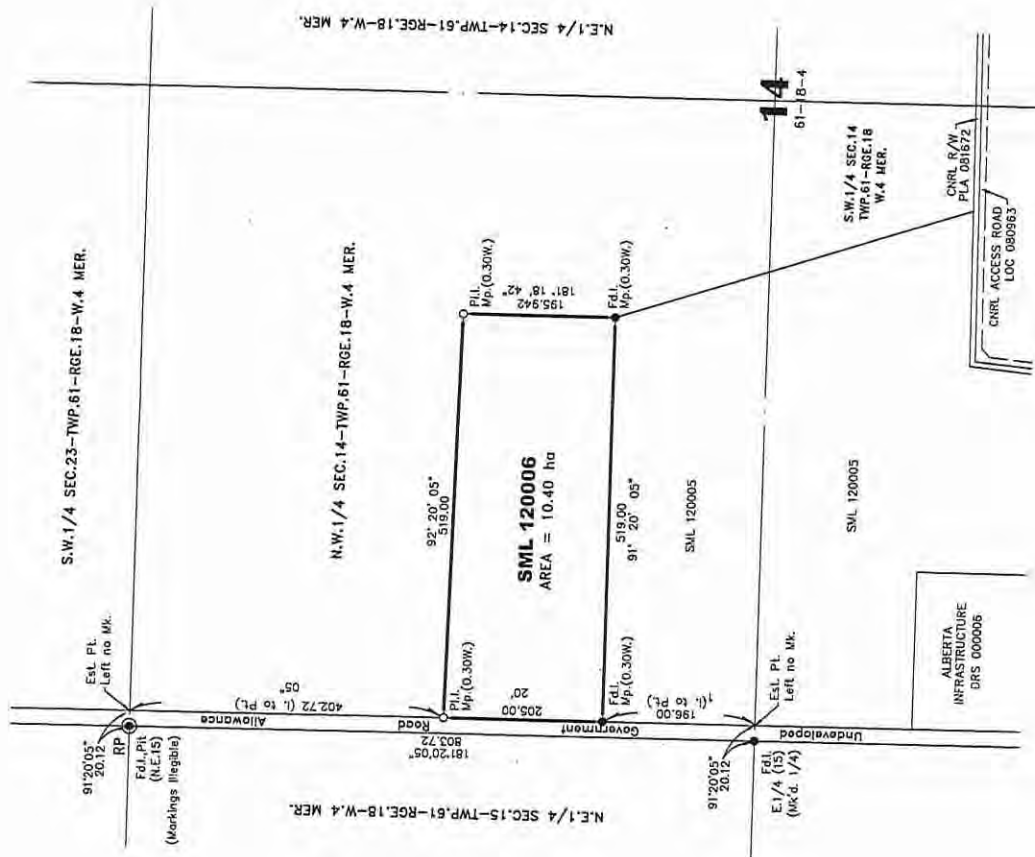
Declared before me at City of Edmonton
this 5th day of November, 2013.
Duncan C. Gillmore
ALBERTA LAND SURVEYOR



Pearl Gillmore
A Commissioner For Oaths
in and for the Province of Alberta
Commission expires on August 17, 2017

GILLMORE SURVEYS (ARCTIC) LTD
WS 13-16060 GSAL 2058-19

FILE NO. **SML 120006**



SURFACE RIGHTS INFORMATION (PUBLIC LANDS)	
N.W.1/4 SEC.14-61-18-4	
OWNER: CROWN	
TPA 951	ELMER CARDINAL
CRP 040034	ALBERTA TRANSFORMATION
CRL 40194	KEVIN WAWYRICHUK (GRAZING LEASE)
PNT 820934	ATHABASCA OFFICE-RANGELAND DISTRICT-LANDS DIVISION DEPARTMENT OF SUSTAINABLE RESOURCE DEVELOPMENT (PROTECTIVE NOTATION)

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Appendix A.2

Client Provided Test Data

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

March 15/12
SNL 06

(237) 0-2 sand
2-16 very Rocky
16-18 sand
18-22 Good G
22-41 sand
41-43 Good G
43-50 sand
50-55 clay

(238) 0-9 very Rocky
9-13 sand
13-26 very Rocky
26-47 1/2, 1, 2
Rocky
47-60 sand

(239) 0-2 very Rocky
2-6 sand
6-10 Good G
10-16 sand
16-35 very Rocky
35-40 Good G
40-45 Clay

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

(240)

0 - 6 sand
10 - 10 sand
12 - 12 sand
17 - 17 sand
19 - 19 sand
22 - 22 sand
24 - 24 sand
28 - 28 sand
35 - 35 sand
40 - 40 sand
43 - 43 sand
43 - 25 sand
T.M.
0 - 1 sand
1 - 6 sand
6 - 8 sand
8 - 50 sand
50 - 55 sand

(241)

0 - 2 sand
2 - 4 sand
4 - 10 sand
6 - 10 sand
8 - 3 sand
10 - 35 sand
10 - 60 sand
10 - 3 sand
3 - 5 sand
5 - 10 sand
10 - 13 sand
13 - 37 sand
27 - 38 sand
38 - 49 sand
49 - 55 sand

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

244

0-5 sand
5-15 Good G

15-22 sand

22-24 Good

24-27 sand

27-34 Good G

34-45 sand

45-47 Good G

47-52 sand

52-56 Good G

56-70 sand

245

0-4 sand

4-10 Good G

10-23 very fine

23-25 sand

25-27 Good G

27-30 sand

30-33 sand

33-41 sand

41-52 sand

52-60 sand

60-65 sand

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SHL 125805

Date: Nov 5, 2012

Page

POI 957

Top Soil

1. Good background up to 10"

2. S & S

3. Small amount up to 10"

Sample 124

POI 958

Top Soil

1. Good background up to 8-10"

2. S & S

3. Small amount up to 2"

(see POI 957)

POI 959

Top Soil

1. Good background up to 10"

2. S & S

3. Small amount up to 3"

Sample 125

POI 960

Top Soil

1. Good background up to 10"

2. S & S

3. Small amount up to 3"

Sample 126

POI 961

Top Soil

1. Good background up to 10"

2. S & S

3. Small amount up to 3"

Sample 127

POI 962

Top Soil

1. Good background up to 10"

2. S & S

3. Small amount up to 3"

Sample 128

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TM" has replaced "POI".

No. ^{SM 12705}
Date March 5, 2012

Page

No. ^{SM 12705}
Date March 5, 2012

Page

2:17 pm Pot 200 Pictures
 0-0.1 Top Soil 126
 0.1-1.1 Good Gravel up to 10" 127
 1.1-3.1 Sandy Gravel up to 3"
 3.1-5.5 Sand

4:00 pm Pot 203 Pictures
 0-0.1 Top soil 132
 0.1-0.2 Sand 133
 0.2-1.2 Small gravel & Sand
 1.2-1.3 Black sand
 1.3-1.8 Gravel up to 6"
 1.8-5.5 Sand

2:50 pm Pot 261 Pictures
 0-0.1 Top Soil 128
 0.1-1.1 Good Gravel up to 10" 129
 1.1-2.6 Sandy Gravel up to 3"
 2.6-5.5 Sand

4:30 pm Pot 264 Pictures
 0-0.1 Top Soil 134
 0.1-0.2 Sand 135
 0.2-0.5 Small Gravel
 0.5-2.0 Sand
 2.0-2.3 Gravel up to 5-6"
 2.3-5.5 Sand

3:30 pm Pot 262 Pictures
 0-0.1 Top Soil 130
 0.1-0.4 Small Gravel & Sand 131
 0.4-0.6 Organic Material
 0.6-2.1 Gravel up to 6"-8"
 2.1-5.5 Sand

On the test locations map, either the prefix "TH" has been added to three-digit numbers in the test logs or "TH" has replaced "POI"

No. SML 120005

No. SML 120006

Date March 6, 2012

Page

Date March 6, 2012

Page

Time	POI	Picture	Time	POI	Picture
7:55am	POI 265	Picture	8:00am	POI 268	Picture
0-0.1	Top Soil	136	0-0.1	Top Soil	142
0.1-0.2	Sandy gravel	137	0.1-0.7	Sandy Gravel up to 2"	143
0.2-0.5	Small gravel up to 3"		0.7-5.0	Sand	
0.5-5.5	Sand.			Here Sh. 1/2" in	

Time	POI	Picture	Time	POI	Picture
8:28am	POI 266	Picture	9:45am	POI 269	Picture
0-0.1	Top Soil	138	0-0.1	Top Soil	144
0.1-0.4	Very Sandy gravel	139	0.1-1.0	Sandy Gravel up to 2"	145
0.4-5.5	Sand		1.0-5.5	Sand.	

Time	POI	Picture	Time	POI	Picture
8:55am	POI 267	Picture	10:27am	POI 270	Picture
0-0.1	Top Soil	140	0-0.1	Top Soil	146
0.1-0.7	Sandy gravel up to 2"	141	0.1-0.4	Sandy Sand Rock up to 2"	147
0.7-5.5	Sand.		0.4-5.5	Sand.	

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SML 120005
Date March 6, 2012 Page

No. SML 120005
Date March 6, 2012 Page

10:57 am POI 271 Pictures
0-0.1 Top Soil 148
0.1-1.1 Sandy Small Gravel up to 1" 149
1.1-5.5 Sand

11:30 am POI 272 Pictures
0-0.1 Top Soil 150
0.1-1.0 Sandy Small Gravel 151
1.0-1.3 Bony Gravel up to 8"
1.3-5.4 Sand
Hole Stuffed in

SML 120005
12:30 pm POI 273 Pictures
0-0.1 Top Soil 152
0.1-0.7 Sand 153
0.7-0.9 Small gravel up to 1 1/2"
0.9-1.2 Sand
1.2-5.5 Sand

10:59 pm POI 274 Pictures
0-0.1 Top Soil 154
0.1-0.4 Small Gravel up to 3" 155
0.4-0.8 Sand
0.8-2.0 Bony Gravel up to 8"
2.0-3.4 Sand Some Rock up to 4"
3.4-5.5 Sand

1:29 pm POI 275 Pictures
0-0.1 Top Soil 156
0.1-0.4 Small Gravel Sandy 157
0.4-1.4 Sandy Gravel up to 5"
1.4-1.8 Bony Gravel up to 10"
1.8-2.4 Small gravel Sandy up to 3"
2.4-2.7 Bony Gravel up to 3"
2.7-5.5 Sand

On the test locations map, either the prefix "TR" has been added to three digit numbers in the test logs or "TR" has replaced "POT".

No. SM 120005
Date March 20, 1912

No. SM 120005
Date March 21, 1912

Time	POT	Remarks	Picture	Time	POT	Remarks	Picture
2:15 pm	POT 276			4:10 pm	POT 279		
0-0.1	Top Soil		158	0-0.1	Top Soil		164
0.1-0.3	Good Ground		159	0-1.1	Small Ground up to 3"		165
0.3-0.6	Sandy Ground			1.1-2.0	Good Ground up to 8"		166
0.6-1.5	Good Ground			2-3.0	Sandy or Rock		
1.5-2.6	Sandy Soil up to 6"			3.0-5.5	Ground with little Sandy up to 6"		
2.5-5.5	Sandy with little Rock						
2:45 pm	POT 277						
0-0.1	Top Soil		160				
0.1-1.1	Good Ground		161				
1.1-1.4	Sand						
1.4-5.5	Sandy Ground up to 2" Rock						
3:40 pm	POT 278						
0-0.1	Top Soil		162				
0.1-1.1	Good Ground		163				
1.1-1.4	Sand						
1.4-1.9	Small Ground up to 3"						
1.9-5.0	Sand with little Rock						
5.0-5.5	Sand with little Rock						

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. 542 12, 000 S
 Date March 7, 1952 Page

No. 542 12, 000 S
 Date March 7, 1952 Page

9:55 am Pot 280 Richards 167

0-0-1 Top Soil 168

0-1-0 6" sand

0-4-10 Ground up to 6"

10-5-5 Ground up to 6" sand up to 4"

8:20 am Pot 281 Richards 169

0-0-1 Top Soil

0-1-0 6" sand

0-7-1-3 6" sand up to 2"

1-3-5-5 6" sand up to 6" a little sand

8:45 am Pot 282 Richards 171

0-0-1 Top Soil

0-1-0 6" sand up to 8"

1-1-5-5 6" sand up to 8" a little sand

9:55 am Pot 283 Richards 173

0-0-1 Top Soil

0-1-0 6" sand up to 6"

0-4-10 6" sand up to 6"

10-5-5 6" sand up to 6" sand up to 4"

8:20 am Pot 284 Richards 175

0-0-1 Top Soil

0-1-0 6" sand up to 6"

0-7-1-3 6" sand up to 2"

1-3-5-5 6" sand up to 6" a little sand

8:45 am Pot 285 Richards 177

0-0-1 Top Soil

0-1-0 6" sand up to 8"

1-1-5-5 6" sand up to 8" a little sand

On the rest locations map, either the prefix "TH" has been added to three digit numbers in the rest logs or "TH" has replaced "POI"

No. SHL 120025
Date March 9, 2012

No. SHL 120025
Date March 9, 2012

11:30 am	POI 286	Pictures
0-0.1	Top Soil	179
0.1-2.6	Sand	180
2.6-5.5	Expanded up to 8" Sand	
12:20 pm	POI 287	Pictures
0-0.2	Top Soil	181
0.1-0.2	Soil	182
1.2-5.5	Expanded up to 8"	
	with Sand	
12:00	POI 285	Pictures
0-0.1	Top Soil	183
0.1-0.4	Sand	184
0.4-4.5	Ground Sand up to 6"	
4.5-4.8	Sand	
4.8-5.5	Ground Sand up to 6"	

1:00 pm	POI 289	Pictures
0-0.1	Top Soil	185
0-0.4	Sand	186
0.4-1.0	Coarse Sand	
1.0-4.0	Expanded Type Sand Rock up to 6"	
4.0-4.5	Heavy Ground up to 8"	
4.5-5.5	Expanded Type	
1:00 pm	POI 290	Pictures
0-0.1	Top Soil	187
0.1-0.7	Coarse Sand up to 6"	188
0.7-1.7	Medium Sand	
1.7-3.0	Sand	
3.0-3.5	Sandy Soil	
3.5-4.5	Sandy	
4.5-5.0	Expanded Type	
5.0-5.5	Expanded Type	

On the test locations map, either the prefix "TY" has been

Added to three digit numbers in the test logs or "TH" has replaced "POI"

No. *March 5*

Page

Date *March 5, 1912*

Page

1	215 pm	POI 291	Richards
	0-0.1	Top soil	1912
	0.1-1.1	Small gravel up to 1/4"	1912
	1.1-2.1	Sandy gravel	
	2.1-3.1	Gravel up to 3/8"	
	3.1-3.5	Gravel	
	3.5-5.5	Sand	
2			
	1.3-1.4 pm	POI 292	Richards
	0-0.1	Top soil	1912
	0.1-0.4	Sand	1912
	0.4-1.4	Gravel up to 3/8"	
	1.4-5.5	Sand	
3			
	4:30 pm	POI 293	Richards
	0-0.1	Top soil	1912
	0-0.3	Sandy gravel	1912
	0.3-1.7	Sand	1912
	1.7-2.0	Sandy gravel	
	2.0-5.5	Sand	

	0 am	POI 294	Richards
	0-0.1	Top soil	1912
	0.1	Sand	1912
	1.0	Small Gravel up to 3/8"	
	1.6	Sand	
	1.9	Heavy sand up to 1/2"	
	5.5	Sand	
	0 am	POI 295	Richards
	0.1	Top soil	1912
	0.3	Sand	1912
	0.3-5.5	Small Gravel / Sandy sand	
	5.5	Sand	
	0 am	POI 296	Richards
	0-0.1	Top soil	1912
	0.1	Sand	1912
	1.0	Sandy Small Gravel up to 1/2"	
	5.5	Sand	

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SHL 120004

Date March 8, 2012

Page

No. SHL 120004

Date March 8, 2012

Page

1 9:05 am POI 297 Pictures
 0-0.1 Top Soil 202
 0.1-5.5 Sand 203

9:10 am POI 301 Pictures
 0-0.1 Top Soil 210
 0.1-3.5 Sand 211

9:35 am POI 298 Pictures
 0-0.1 Top Soil 204
 0.1-5.5 Sand 205

9:38 am POI 302 Pictures
 0-0.1 Top Soil 212
 0.1-5.5 Sand 213

10:20 am POI 299 Pictures
 0-0.1 Top Soil 206
 0.1-5.5 Sand 207

10:00 am POI 303 Pictures
 0-0.1 Top Soil 214
 0.1-0.7 Small Gravel/Sandy 215
 0.7-1.0 Gravel up to 6"
 1.0-5.0 Sand

10:45 am POI 300 Pictures
 0-0.1 Top Soil 208
 0.1-5.5 Sand 209

10:50 Hole Stuffed in
 10:14 am POI 304 Pictures
 0-0.1 Top Soil 216
 0.1-0.4 Sand 217
 0.4-0.7 Small Gravel up to 4"
 0.7-5.0 Sand
 Hole Stuffed in

On the test locations map, either the prefix "TW" has been added to three-digit numbers in the test logs or "TW" has replaced "PG" in

No. 5ML 12006C
Date March 8, 2012

No. 5ML 12006G
Date March 8, 2012

Page

Page

2:45 pm
0-0.1 Top Soil
0.1-1.5 Sand
1.5-5.5 Clay.

3:00 pm
0-0.1 Top Soil
0.1-1.5 Sand
1.5-5.5 Clay.

3:22 pm
0-0.1 Top Soil
0.1-1.1 Small Gravel up to 1"
1.1-5.1 Very Sandy Fine Rock up to 6"
5.1-5.5 Clay.

3:40 pm
0-0.1 Top Soil
0.1-0.6 Gravel up to 6"
0.6-0.9 Sand
0.9-1.3 Sand/Gravel up to 3"
1.3-2.2 Sand
2.2-2.8 Gravel up to 8" sand
2.8-5.2 Small Gravel/Sandy up to 4"

POI 305
Pictures
218
219

POI 308
Pictures
214
215

POI 306
Pictures
220
221

POI 309
Pictures
224
227

POI 307
Pictures
222
223

POI 305
Pictures
225

On the test locations repaired with the prefix "TR" has been added to three digit numbers in the test logs of "TH" has replaced "POI"

No. SHL 120004
Date March 9, 2012

No. SHL 120004
Date March 9, 2012

7:10 am	POI 310	Pictures
0-0.1	Top Soil	228
0.1-0.4	Sand	129
0.4-5.5	Clay	
8:00 am	POI 311	Pictures
0-0.1	Top Soil	230
0.1-0.3	Rock & Sand	231
0.3-5.5	Clay	
8:00 am	POI 312	Pictures
0-0.1	Top Soil	232
0.1-0.7	Sandy Silt & Gravel 2"	233
0.7-1.0	Clay	
1.0-1.6	Sand & Silt Gravel 3"	
1.6-5.5	Sand	
5.0	Rock up to 6"	
	pole Stuffed in	

8:50 am	POI 313	Pictures
0-0.1	Top Soil	234
0.1-0.2	Sand	235
0.2-1.0	Sandy Silt & Gravel up to 3"	
1.0-1.5	Sandy Gravel up to 4"	
1.5-2.4	Sand	
2.4-3.0	Rock up to 12"	
3.0-5.5	Clay	
8:00 am	POI 314	Pictures
0-0.1	Top Soil	236
0.1-0.3	Sand	237
0.3-0.9	Sandy Silt & Gravel up to 2"	
0.9-1.4	Gravel up to 4"	
1.4-2.4	Sand	
2.4-2.9	Large Rock & Sand up to 12"	
2.9-5.5	Clay	

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SHL 12000.6

Date March 9, 2012

Page

No. SHL 12000.6

Date March 9, 2012

Page

9:20am POI 315
 0-0.1 Top Soil
 0.1-0.9 Sand
 0.9-1.3 Small Sandy Gravel
 1.3-1.5 Sand
 1.5-2.0 Gravel up to 6"
 2.0-5.5 Clay

Pictures

238

239

10:45am

POI 317

Pictures

242

243

0-0.1

Top Soil

0.1-1.2

Sandy Small Gravel 2"

1.2-1.8

Clay

1.8-5.5

Sand

11:00am

POI 318

Pictures

0-0.1

Top Soil

244

0.1-0.4

Small Gravel up to 3"

245

0.4-1.0

Sand

1.0-5.0

Small Gravel Sandy

5.0-5.5

Clay

10:23am POI 316

Pictures

240

241

0-0.1 Top Soil

0.1-0.3 Sand

0.3-0.9 Sandy Small Gravel

0.9-1.3 Sand

1.3-1.9 Small Sandy Gravel

1.9-5.0 Sand

Hole Stuffed in

1:28pm

POI 319

Pictures

0-0.1

Top Soil

246

0.1-0.7

Sandy Small Gravel 3"

247

0.7-1.3

Sand

1.3-1.6

Sandy Small Gravel 2"

1.6-5.0

Sand

Hole Stuffed in

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

No. SML 120006

Date March 9, 2012

Page

No.

Date

Page

11:48 am POI 320 Pictures
 0-0.1 Top Soil 248
 0.1-0.4 Sand 249
 0.4-1.4 Small green Gravel Sandy
 1.4-5.5 Sand

12:43 pm POI 321 Pictures
 0-0.1 Top Soil 250
 0.1-5.5 Sand 251

1:15 pm POI 322 Pictures 252
 0-0.1 Top Soil 252
 0.1-1.1 Sand with small Rock 1" 253
 0.1-1.7 Sandy Gravel up to 3"
 1.7-4.0 Sand
 4.0-5.5 Clay

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

March 7/2012 - Pit 5
420 - 8:00 am.
0-2 ft. soils
2-6 ft. 2" rock
6-20 ft. 2-4" rock, lots of sand
421 - 8:30 am
0-2 ft. soils
2-14 ft. 2-6" rock, fair sand
14-18 ft. sand
18-20 ft. 2-4" rock, fair sand
sand at bottom

422 9:00 am.
0-2 ft. soils
2-4 ft. 2" rock
4-21 ft. - mostly sand,

423 9:30 am.
0-2 ft. soils
2-4 ft. sand
4-6 ft. sm. rock
6-21 ft. sand,

424 9:50 am.
0-3 ft. black soils
3-14 ft. frozen sand,
14-19 ft. wet sand,

425 10:40 am.
0-3 ft. soils (black)
3-19 ft. sand,

426 11:00 am
0-2 ft. soils
2-4 ft. 2-4" rock
4-21 ft. sand

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

- 418 - 4:10 pm
0-2 ft. soils
2-6 ft. 2-4" rock
6-14 ft. random 4-6" rock
14-20 ft. mostly sand
- 419 - 4:35 pm.
0-2 ft. soils
2-8 ft. 2-3" rock w/ sand
8-12 ft. 2-4" rock
12-20 ft. mostly sand, ^{random} rocks
- March 7/2012 - Pit 5
- 420 - ~~8:00~~ am.
0-2 ft. soils
2-6 ft. 2" rock
6-20 ft. 2-4" rock, lots of sand
- 421 - 8:30 am
0-2 ft. soils
2-14 ft. 2-6" rock, fair sand
14-18 ft. sand
18-20 ft. 2-4" rock, fair sand
sand at bottom

- 422 9:00 am.
0-2 ft. soils
2-4 ft. 2" rock
4-21 ft. - mostly sand.
- 423 9:30 am.
0-2 ft. soils
2-4 ft. sand
4-6 ft. sm. rock
6-21 ft. sand.
- 424 9:50 am.
0-3 ft. black soils
3-14 ft. frozen sand
14-19 ft. wet sand.
- 425 10:40 am.
0-3 ft. soils (black)
3-19 ft. sand.
- 426 11:00 am
0-2 ft. soils
2-4 ft. 2-4" rock
4-21 ft. sand

3 up horiz 2nd vertical

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

SML 12006

427 11:25 am
 0-2 ft. soils
 2-20 ft. - 2-4" rock, ^{lots of} sand

428 12:30 pm
 0-2 ft. soils
 2-12 ft. 2" rock w/sand
 12-16 ft. Sandier
 16-18 ft. 2-8" rock w/sand
 18-21 ft. Sandier, some rock

429 1:00 pm
 left open. 0-2 ft. soils
 2-12 ft. 2-4" rod
 12-19 ft. sand w/random rock
 19-20 ft. hitting clay

430 1:20 pm
 left open 0-2 ft. soils
 2-20 ft. 2-6" rocks, ^{pretty} random

431 1:40 pm
 0-2 ft. soils
 2-12 ft. 2" rock, random
 12-19 ft. mostly sand

432 2:05 pm
 0-2 ft. soils
 2-10 ft. 2" rock, random
 10-14 ft. 4-6" rock
 14-21 ft. 4-6" rock, random

433 2:35 pm
 0-2 ft. soils
 2-8 ft. 2" rock, random
 8-18 ft. - 3-4" rock, ^{very} random
 3:00-4:00
 refill holes
 P. + 5

434 4:00 pm
 0-2 ft. soils
 2-3 ft. 2" rock
 3-9 ft. ^{mostly sand} random rock
 9-19 ft. sand.

435 4:15 pm
 0-2 ft. soils
 2-6 ft. 2" rock w/sand
 6-10 ft. sand.
 10-14 ft. 2-4" rock w/sand
 14-18 ft. ^{mostly sand} random rock
 18-19 ft. sand
 caved in

689-7885 - Lisa M. Anthony Henday - exit 90 st.

On the test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

Mar. 8/12 - Smz 120006

436 7:40 am.
0-2 ft. black soils
2-14 ft. sand.
14-17 ft. clay

437 8:00 am.
0-2 ft. soils
2-5 ft. 2-3" rock
5-20 ft. sand.

438 8:30 am.
0-2 ft. soils
2-3 ft. sand
4-16 ft. clay.

439 8:50 am.
0-2 ft. soils
2-10 ft. 2" rock, lots of sand
10-20 ft. sand.

440 9:05 am - ravine bottom
0-2 ft. soils
2-12 ft. 2" rock, very random
12-16 ft. 2" rock, black sand
couldn't go any further
caving in

441 9:35 am.
0-2 ft. soils
2-3 ft. sand.
3-5 ft. 2" rock w. d.
5-20 ft. sand

442 10:20 am
0-2 ft. soils
2-10 ft. ^{very random} 2" rocks
10-14 ft. 2-4" rock, sand
14-21 ft. sand

443 10:50 am
0-2 ft. soils
2-8 ft. 2-4" rock, ^{really} random
8-21 ft. sand.

444 11:15 am.
0-2 ft. soils
2-8 ft. 2"-6" rock ^{very} random
8-20 ft. sand.

79,70 1b

On the ^{Pit} test locations map, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

March 8

- 445 6" Top soil 2' "B" soil
2' to 6' sand with small pebbles
6' to 18' clay no rock
6 pictures
- 446 6" Top soil 2' B soil
2' to 5' sand with some rock 1" to 3"
5' to 21' clay no rock
5 pictures
- 447 6" Top soil 2' "B" soil
2' to 5' sand no rock
5' to 10' yellow sand no rock
10' to 15' ~~dry~~ wet clay
15' to 20' blueish clay/sand no rock
6 pictures
- 448 6" Top soil 2' B soil
2' to 8' sand ^{very little 1"} ~~rock~~ Rock
8' to 10' 2 Big Rocks ^{no small}
10' to 19' clay no rock
19' to 21' wet clay/sand no rock
4 pictures
- 449 6" Top soil 2' "B" soil
2' to 8' sand no rock
8' to 9' sand with some 1" Rock
9' to 19' clay no rock
19' to 20' wet clay/sand no rock
3 pictures

- 450 6" Top soil 2' "B" soil
2' to 4' sand no rock
4' to 5' sand with some 1" to 3" ~~rock~~
5' to 18' sand no rock
18' to 22' sand with water with
Rock 3" to 6"
4 pictures
- 452 6" Top soil 2' "B" soil
2' to 4' small to 3" rock with sand
4' to 5' sand no rock
5' to 8' rock 1" to 6"
8' to 16' sand no rock
16' to 21' wet sand no rock
5 pictures
- 452 6" Top soil 2' B soil
2' to 5' sand with some small to
5' to 19' white sand very few pebbles
4 pictures
- 453 6" Top soil 2' "B" soil
2' to 4' sand with some Rock
4' to 5' rock 1" to 4"
5' to 15' sand no rock
15' to 19' sand with lots of small
4 pictures

On the ~~test locations~~ ^{map}, either the prefix "TH" has been added to three digit numbers in the test logs or "TH" has replaced "POI"

Mar. 9/12 - SML 120006

- 454 7:30 am.
0-2 ft. soils
2-3 ft. random 2" rock
3-20 ft. sand - no rock
- 455 0-2 ft. soils
2-4 ft. 1-3" rock
4-20 ft. sand - no rock
- 456 8:20 am.
0-2 ft. soils
2-4 ft. sm. rock, lots of sand
4-20 ft. sand - no rock
- 457 8:55 am.
0-2 ft. soils
2-20 ft. sand - no rock
- 458 9:20 am
0-2 ft. soils
2-20 ft. sand - no rock
- 459 9:40 am
0-2 ft. soils
2-10 ft. odd rock, mostly sand
10-20 ft. sand.

- 460 10:25 am
0-2 ft. soils
2-12 ft. 2-3" rock, ^{really} random
12-21 ft. sand - no rock
- 461 0-2 ft. soils
2-12 ft. sm. rock ^{really} random
12-14 ft. 3-4" rock
14-21 ft. sand.
- 462 11:15 am
0-2 ft. soils
2-17 ft. sm 2" rock, ^{pretty} random
* 17-18 ft. 6-8" rock
18-19 ft. sandier again
- 463 11:40 am
0-2 ft. soils
2-21 ft. sand - no rock
- 464 12:50 pm
0-2 ft. soils
2-20 ft. sand - no rock
- 465 1:05 pm.
* 0-2 ft. soils
2-10 ft. sand
10-12 ft. 4-6" rock ^{12-18 ft. 18ft. ch. 4"} cave

J. Ball and C. Ball (SML 120005 & SML 120006) - CRBR - POI and SIR Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sept. 20, 2016)

SME 100280

Nov 22/11

Auger Drilled Test Data

(9) 6" Top soil Fair Gravel
 6" to 4 feet Fair Gravel
 4 to 16 Bony Gravel
 26 to 32 Fair Gravel
 32 to 50 sand
 50 Clay
 6" Top soil WTM 6014916
 6" to 2 sand
 2 to 26 very Bony Gravel
 26 to 35 1" small rock
 35 to 39 sand
 39 to 45 Fair Gravel
 45 to 50 clay 6015321
 6" Top soil
 6" to 10 Fair Gravel
 10 to 20 Good Gravel
 20 to 25 sand
 25 to 45 Good Gravel
 45 to 50 Poor Gravel
 50 to 55 sand

(12) 0-6" Top soil 6015503
 6" to 3 Sand
 3 to 9 Poor Gravel
 9 - 14 Good Gravel
 14 - 18 sand
 18 - 25 Fair Gravel
 25 - 30 sand
 30 to 45 Good Gravel
 45 to 50 Sand
 6015738
 (14) 0-6" Top soil
 6" to 35 sand
 (15) 6" Top soil 6015068
 6" to 12 sand
 12 to 14 Fair Gravel
 14 to 32 sand
 32 to 40 Fair Gravel
 40 to 60 Good Gravel
 60 + P

SME 100280

- (16) 0-6" Topsoil 6015417
6" to 10" Fair Gravel
10 to 30 Very Good Gravel
30 to 32 Sand
32 to 45 Very Good Gravel
45 to 55 Poor Gravel Sample
- (17) 6" Topsoil 6015168
6" to 35 Very Good Gravel
35-42 Poor Gravel
42 to 55 Sand
Nov 24/11
- (18) 0-6" Topsoil 6015021
6" to 2" Sand
2-15 Good Gravel
15-25 Very Good Gravel
25-35 Good Gravel
35-60 Sand
water at 45 feet

SME 100280

- (19) 6" Topsoil 6014991
6" to 20 Clay
- (20) 6" Topsoil 6014975
6" to 15 Sand
15-25 Clay
- (21) 6" Topsoil 6014962
6" to 6 Sand
6-20 Clay
- (22) 6" Topsoil 6015052
6" to 30 Sand
30 to 35 Clay
- (23) 6" Topsoil 6015025
6" to 30 Sand
- (24) 6" Topsoil 6015151
6" to 30 Sand
30 to 35 Clay
- (25) 6" Topsoil 6015286
6" Clay
- (26) 6" Topsoil 6015484
6" to 30 Sand
30 to 45 Very Poor Retic
45 Gravel Below

SME 100280

(27) 6" top soil 6015691
6" to 10 Fair Gravel
10-15 very Rocky
15-30 Clay

(28) 6" top soil 6015576
6" to 5 very Rocky
5-10 Fair Gravel
10-15 very Rocky
15-18 Fair Gravel
18-25 Clay

(29) 6" top soil 6015361
6" to 5 very Rocky
5 to 7 Fair Gravel
7-12 very Rocky
12-17 Sand Gravel
17-21 Good Gravel
21-25 Clay
(30) 6" top soil 6015319
6"-20 Clay

SME 100280

(31) 6" to 6" top soil 6015475
6" to 20 Clay

(32) 6" top soil 6015626
6" to 20 Clay
Nov 25/11

(33) 6" top soil 6015189
2" Sand
2-10 Fair Gravel
10-15 very Bony Rock
15-25 very Bony Rock
25-35 Fair Gravel
35-40 Fair Gravel
40-60 Sand

(34) 6" top soil 6015131
6" to 25 sand

(35) 6" to 30 Clay
6" to 6" top soil 6015273
6" to 20 Clay

SME 100280

- (36) 6" Top soil 6015268
- 6" to 4" Sand
- 4" to 10" Fair Gravel
- 10-20 very Bony Rock
- 20-28 Bony Rock
- 28-35 Fair Gravel
- 35-40 Fair Gravel
- 40-45 Sand
- 45-50 Sand
- (37) 6" Top soil 6015442
- 6" to 20 Clay
- (38) 6" Top soil 6015517
- 6" to 2" Fair Gravel
- 2 to 9 Sand
- 9 to 15 Fair Gravel
- 15-18 Sand
- 18-30 very Good Gravel
- 30-35 Sand
- 35-40 Clay

SME 100280

- (39) 6" Top soil 6015632
- 6" to 5" Fair Gravel
- 5-10 Poor Gravel
- 10-14 Sand
- 14-16 Good Gravel
- 16-25 Clay
- (40) 6" Top soil 6015710
- 6" to 10 Fair Gravel
- 10 to 16 Sand
- 16 to 25 Clay
- (41) 6" Top soil 6015657
- 6" to 15 Sand
- 15-20 Clay
- (42) 6" Top soil 6015560
- 6" to 16 Sand
- 16-25 Clay
- (43) 6" Top soil 6015567
- 15 Feet Clay
- (44) 6" Top soil 6015500
- 6" to 20 Sand
- 20-25 Clay

SME 100280

SME 100280
Nov 26/11

- (45) 0-6" Top soil 6015398
- 6"-20" Sand.
- 20-25" Clay
- (46) 6" Top soil 6015204
- 6" + 10" Fine Gravel
- 10-25" Sand
- 25-30" Clay
- (47) 6" Top soil 6015155
- 6" to 20" Clay
- (48) 6" Top soil 6015263
- 6" to 20" Clay
- (49) 6" Top soil 6015431
- 10 Feet sand
- 10 to 15" Clay

- (50) 6" Top soil 6014949
- 6"-18" Very Good Gravel
- 18-35" sand
- 35-42" Good Gravel
- 42-50" Poor Gravel
- (51) 6" Top soil 6015153
- 6"-20" Very Boney Rock
- 20-35" sand
- 35-42" small 1/2 Rock
- 42-45" sand water
- 45 to 55" Clay
- (52) 6" Top soil 6015330
- 6"-36" very Boney Rock
- 36-40" sand
- 40-45" Clay
- (53) 0-6" Top soil 6015674
- 6"-10" Fair Gravel
- 10-35" sand
- (54) 0-6" Top soil 6015074
- 6"-15" sand
- 15-20" Clay

SME 100280

- (55) 0-6" Top soil 6015388
6"-12" Fair Gravel
12"-15" sand.
15"-20" Clay
- (56) 0" Top soil 6015523
6"-4" Fair Gravel
4"-20" Sand
- (57) 20"-25" Clay
6" Top soil 6015686
6"-10" Boney Rocky Gravel
- (58) 10"-20" Clay
8" Top soil 6015641
6"-5" Boney Gravel
- (59) 5"-20" Clay
0-6" Top soil 6015278
6"-15" Clay
- (60) 6" Top soil 6015197
6"-20" Clay

SME 100280

Test hole Number : **TL 10** - Date : Nov. 23, 2011



SME 100280

Test hole Number : TL 20 - Date: Nov. 24, 2011





Test hole Number : **TL 28** - Date: Nov. 24, 2011

SME 100280



SME 100280

Test hole Number : **TL 41** - Date : Nov. 25, 2011



SME 100280

Test hole Number : **TL 56** - Date : Nov. 26, 2011



Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

APPENDIX B
• Soil Survey Report

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

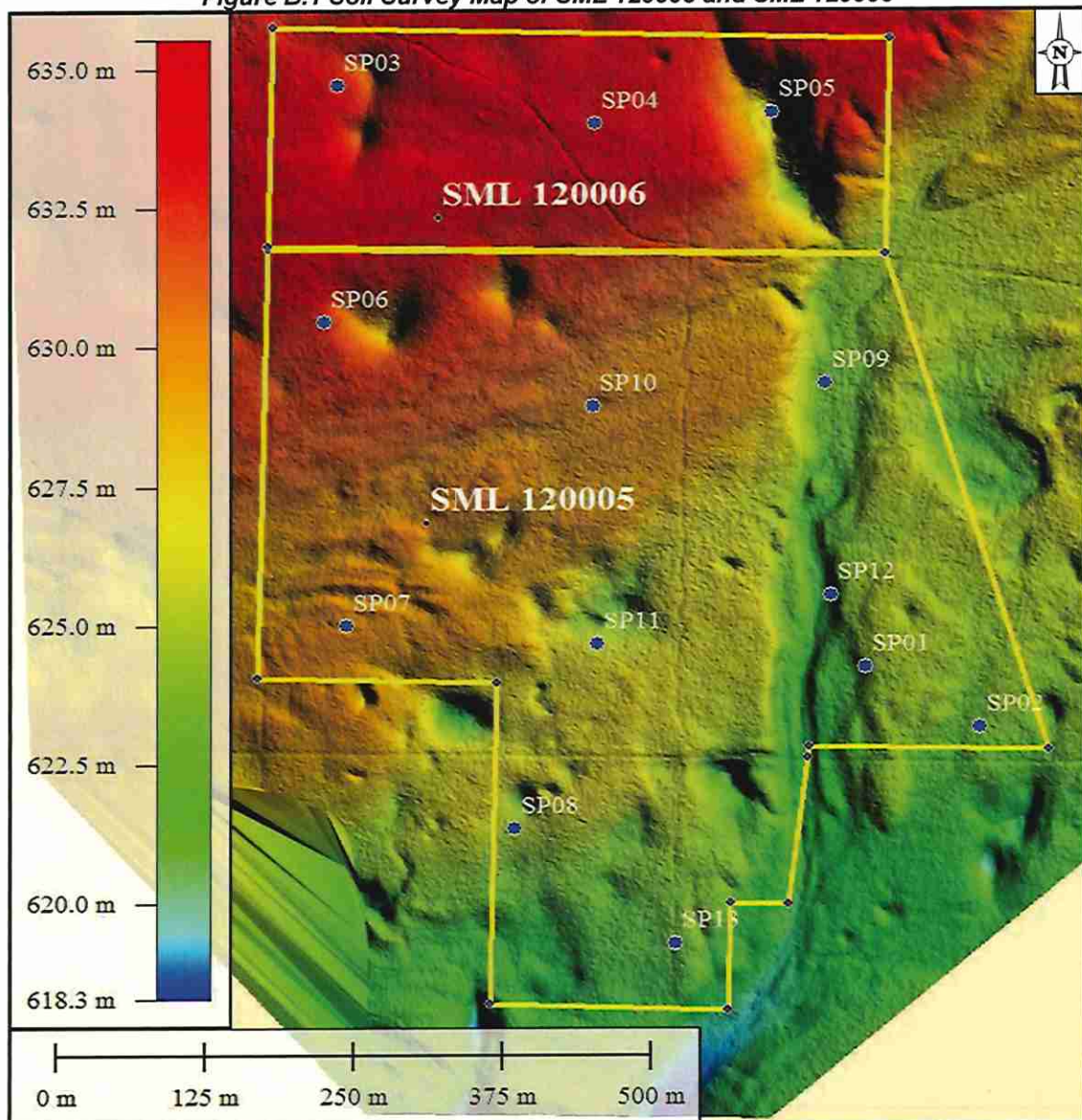
Appendix B.1

Soil Survey Report

B.1 SOIL SURVEY REPORT OF SML 120005 AND SML 120006

SML 120005 and SML 120006 soil survey was completed on July 14 and 15, 2015. Information was gathered from 13 soil pit locations within the two SMLs. Figure B.1 displays the Soil Survey Map of the 2 SML's showing the soil pit locations over bare earth LIDAR. The soil pit locations were selected using an ecosystem approach by interpreting variations in landscape and vegetation patterns on available orthophotos and LIDAR data. Table B.1 summarizes findings and photos for each soil pit are also included.

Figure B.1 Soil Survey Map of SML 120005 and SML 120006



Source: LIDAR Data sourced from AltaLis [4]; contours added in Global Mapper

Table B.1 Summary of Soil Survey Findings

Soil Pit Number	GPS Coordinates (Zone 12, NAD 83)		LFH (cm)	Soil Texture	Slope Position and General Comments	Soil Pit Location and Vegetation
	Northing	Easting				
SP01	6015137	396280	3	Topsoil (A) = 10 cm; sandy loam Subsoil (B) = 10 cm; sand	undulating topography; a 7 cm sand layer containing small gravel below subsoil; golden coloured sand at the bottom; soil pit depth 50 cm, moose droppings close to soil pit location	jack pine, aspen, common bearberry, common blueberry, saskatoon, three-toothed cinquefoil, cream-colored vetchling, wild vetch, northern bedstraw, veiny meadow rue, wild lily-of-the-valley, fleabane, wild strawberry, graminoids
SP02	6015081	396375	5	Topsoil (A) = 8 cm; sandy loam Subsoil (B) = 16 cm; loam	nearly level; golden coloured sand (sandy clay texture) containing small gravel at the bottom; soil pit depth 45 cm	aspen dominated, occasional jack pine and white spruce, common blueberry, snowberry, Canada buffaloberry, twining honeysuckle, currant, prickly rose, saskatoon, cream-colored vetchling, veiny meadow rue, wild lily-of-the-valley, nodding onion, common yarrow, aster, northern bedstraw, Canada anemone, heart-leaved Alexanders, western wood lily, harebell, graminoids
SP03	6015678	395837	5	Topsoil (A) = 8 cm; sandy loam Subsoil (B) = 10 cm; sandy loam	gently undulating plateau; mossy ground; wavy Ah; golden coloured sand containing small gravel at the bottom; soil pit depth 42 cm	mainly jack pine, occasional aspen, green alder, common bearberry, common blueberry, bog cranberry, twinflower, saskatoon, prickly rose, cream-colored vetchling, wild vetch, northern bedstraw, wild lily-of-the-valley, wild strawberry, moss, graminoids
SP04	6015641	396053	5	Topsoil (A) = 10 cm; sandy loam Subsoil (B) = 6 cm; sandy loam	nearly flat; mossy ground; golden coloured coarse sand at the bottom; soil pit depth 50 cm	same ratio of aspen and jack pine, green alder, common bearberry, common blueberry, Canada buffaloberry, bog cranberry, twining honeysuckle, twinflower, saskatoon, occasional prickly rose, wild sarsaparilla, cream-colored vetchling, northern bedstraw, wild lily-of-the-valley, wild strawberry, moss, graminoids

Conservation and Reclamation Business Plan
 Applicant: Jordan Ball and Cathy Ball
 Parts of NW & SW 14-061-18-W4M
 SML 120005 & SML 120006

Ball [SML 120005 & SML 120006] - CRBP Update and SIR Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sr

Soil Pit Number	GPS Coordinates (Zone 12, NAD 83)		LFH (cm)	Soil Texture	Slope Position and General Comments	Soil Pit Location and Vegetation
	Northing	Easting				
P05	6015652	396202	7	Topsoil (A) = 16 cm; loamy sand Subsoil (B) = 11 cm; loamy sand	bottom of the slope; mossy ground; golden coloured sand at the bottom; soil pit depth 55 cm	mainly jack pine, less aspen, common blueberry, common bearberry, Canada buffaloberry, bog cranberry, prickly rose, twining honeysuckle, twinflower, saskatoon, cream-colored vetchling, northern bedstraw, pink wintergreen, one- sided wintergreen, veiny meadow rue, wild lily-of-the-valley, wild strawberry, aster, moss, graminoids
SP06	6015457	395825	5	Topsoil (A) = 9 cm; sandy loam Subsoil (B) = 11 cm; loamy sand	gently undulating plateau; mossy floor; coarse sand with small gravels below "B"; soil pit depth 40 cm	same ratio of jack pine and aspen, green alder, pin cherry, bracted honeysuckle, common bearberry, common blueberry, snowberry, Canada buffaloberry, bog cranberry, prickly rose, saskatoon, bunchberry, cream-colored vetchling, northern bedstraw, veiny meadow rue, wild strawberry, moss, graminoids
SP07	6015176	395844	4	Topsoil (A) = 6 cm; sandy loam Subsoil (B) = 6.5 cm; sandy loam	gently undulating plateau; mossy floor; gravel below "B" at 12.5 cm (big gravel with loamy sand textured matrix); soil pit depth 30 cm	jack pine, aspen (transition of aspen to jack pine), small aspen, common blueberry (lots), common bearberry, twining honeysuckle, twinflower, saskatoon, prickly rose, Canada buffaloberry (occasional), cut-leaved anemone, cream-colored vetchling, wild vetch, northern bedstraw, veiny meadow rue, three-toothed cinquefoil, wild lily-of-the-valley, wild strawberry, aster leaves, moss, sedges, graminoids, lichen

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Soil Pit Number	GPS Coordinates (Zone 12, NAD 83)		LFH (cm)	Soil Texture	Slope Position and General Comments	Soil Pit Location and Vegetation
	Northing	Easting				
SP08	6014986	395986	3	Topsoil (A) = 4 cm; sandy loam Subsoil (B) = 12 cm; loamy sand	gently undulating plateau; a 7 cm light coloured sand layer (sandy loam texture) below "B", clean; coarse golden sand containing small gravel at the bottom; soil pit depth 36 cm	mixed aspen and jack pine, green alder, small aspen, common blueberry, common bearberry, twining honeysuckle, twinflower, saskatoon, Canada buffaloberry, cut-leaved anemone, cream-colored vetchling, wild vetch, northern bedstraw, three-toothed cinquefoil, wild lily-of-the-valley, wild strawberry, aster leaves, moss, graminoids
SP09	6015399	396246	3	Topsoil (A) = 13 cm; silty loam Subsoil (B) = 17 cm; clay loam	toe of a gentle slope; contains two "A" layer: first "A" 7 cm & 2nd "A" 6 cm thick, a 4 cm lighter grey layer (clay loam tex.) between the two "A"; second "B" (13 cm) is also light grey in colour; a tree log in the soil pit; clay at the bottom; soil pit depth 53 cm	only aspen, some willow, choke cherry, baneberry, wild red raspberry, currant, twining honeysuckle, saskatoon, prickly rose, cream-colored vetchling, wild vetch, veiny meadow rue, nodding onion, graminoids
SP10	6015379	396051	4	Topsoil (A) = 3 cm; sandy loam Subsoil (B) = 10 cm; loamy sand	nearly flat; mossy floor; "C" layer (loamy sand texture) has gravel in it; gravel layer starts at 23 cm; soil pit depth 28 cm -- can't penetrate further	mainly aspen, some jack pine, small white spruce and small aspen, some willow, common blueberry, common bearberry, Canada buffaloberry, bog cranberry, bracted honeysuckle, prickly rose, twining honeysuckle, twinflower, saskatoon, a bit of snowberry, cut-leaved anemone, cream-colored vetchling, northern bedstraw, one-sided wintergreen, wild lily-of-the-valley, wild strawberry, aster leaves, moss, graminoids

Ball [SML 120005 & SML 120006] - CRBP Update and SIR Response (Electronically Submitted to AEP on Sept. 14, 2016). Hardcopies to be Submitted S.

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Ball [SML 120005 & SML 120006] - CRBP Update and SIR Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sr

Soil Pit Number	GPS Coordinates (Zone 12, NAD 83)		LFH (cm)	Soil Texture	Slope Position and General Comments	Soil Pit Location and Vegetation
	Northing	Easting				
SP11	6015159	396055	5	Topsoil (A) = 4 cm; loamy sand Subsoil (B) = 7 cm; loamy sand	mid slop, gently undulating; mossy floor; "C" layer starts at 16 cm; golden coloured coarse sand stats at 10 cm into "C"; soil pit depth 30 cm	mainly jack pine, aspen (occasional), 1 white spruce, small aspen, common blueberry, common bearberry, Canada buffaloberry, prickly rose, twining honeysuckle, twinflower, saskatoon, bunchberry, cream-colored vetchling, wild vetch, wild lily-of-the-valley, wild sarsaparilla (not widespread), aster leaves, moss, graminoids
SP12	6015204	396251	2	Topsoil (A) = 5cm; sandy loam Subsoil (B) = 4 cm; loam	soil pit location is in the cleared, disturbed, and grazed area; mid slope; compacted soil, very hard to dig; "C" layer texture is silt loam; soil pit depth 28 cm	small willow, choke cherry, saskatoon, snowberry, currant, prickly rose, wild vetch, veiny meadow rue, wild strawberry, graceful cinquefoil, harebell, fleabane, aster leaves, graminoids
SP13	6014880	396121	2	Topsoil (A) = 6 cm; sandy loam Subsoil (B) = 8 cm; sandy loam	nearly flat; " B" soil layer is cream coloured; golden coloured sand below, becomes softer and reddish at the bottom. Soil pit depth 60 cm	jack pine, young aspen, green alder, common blueberry (lots) , common bearberry, snowberry, prickly rose, saskatoon, bog cranberry, cream-colored vetchling, wild vetch, wild lily-of-the-valley, aster leaves, common yarrow, fleabane, northern bedstraw, wild strawberry, moss (not widespread), graminoids

On average the thickness of:

- LFH = 4 cm
- Topsoil = 7.8 cm
- Subsoil = 9.6 cm

It should be noted that charcoal was present at the top of all soil profile in almost all the soil pits.

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Soil Pit 01



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Soil Pit 02



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Soil Pit 03



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Soil Pit 04



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Soil Pit 05



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Soil Pit 06



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Soil Pit 07



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Soil Pit 08



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Soil Pit 09



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Soil Pit 10



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Soil Pit 11



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Soil Pit 12



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Soil Pit 13



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APPENDIX C

- Plant Species Observations
- Weed Survey Form and Observations
- ACMIS Search Results
- Sensitive Plant Search
- Ecosite Classification

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Appendix C.1

Plant Species Observations

Conservation and Reclamation Business Plan
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C.1 PLANT SPECIES OBSERVATIONS

Table C.1 lists the plants observed and recorded during a field visit on July 14 to 15, 2015 to study the area. A portion of photographs taken are also included (following the Table C.1). The list is not intended to be a comprehensive list of all species present on the SML's, but it is representative of the plants observed. Non-native species are shown in red text. Nomenclature follows the ACIMS standard found in [List of All Elements](#) [14].

Table C.1 Summary of plants observation during site investigation

Life Form	Common Name	Scientific Name	Author
TREE	aspen	<i>Populus tremuloides</i>	Michx.
	jack pine	<i>Pinus banksiana</i>	Lamb.
	white spruce	<i>Picea glauca</i>	(Moench) Voss
SHRUB	bog cranberry	<i>Vaccinium vitis-idaea</i>	L.
	bracted honeysuckle	<i>Lonicera involucrata</i> var. <i>nvolucrata</i>	(Richardson) Banks ex Spreng.
	buckbrush	<i>Symphoricarpos occidentalis</i>	Hook.
	Canada buffaloberry	<i>Shepherdia canadensis</i>	(L.) Nutt.
	Choke cherry	<i>Prunus virginiana</i>	L.
	common bearberry	<i>Arctostaphylos uva-ursi</i>	(L.) Spreng.
	common blueberry	<i>Vaccinium myrtilloides</i>	Michx.
	currant	<i>Ribes spp.</i>	
	green alder	<i>Alnus viridis</i>	(Vill.) Lam. & DC.
	prickly rose	<i>Rosa acicularis</i>	Lindl.
	red and white baneberry	<i>Actaea rubra</i>	(Ait.) Willd.
	saskatoon	<i>Amelanchier alnifolia</i>	(Nutt.) Nutt. ex M. Roemer
	snowberry	<i>Symphoricarpos albus</i>	(L.) Blake
	twining honeysuckle	<i>Lonicera dioica</i>	L.
	twinflower	<i>Linnaea borealis</i>	L.
	wild gooseberry	<i>Ribes hirtellum</i>	Michx.
	wild red raspberry	<i>Rubus idaeus</i>	L.
	willow	<i>Salix sp.</i>	
FORB	agrimony	<i>Agrimonia striata</i>	Michx.
	annual hawk's-beard	<i>Crepis tectorum</i>	L.
	bunchberry	<i>Cornus canadensis</i>	L.
	Canada anemone	<i>Anemone canadensis</i>	L.
	Canada goldenrod	<i>Solidago canadensis</i>	L.
	common dandelion	<i>Taraxacum officinale</i>	G.H. Weber ex Wiggers
	common fireweed	<i>Epilobium angustifolium</i>	(L.) Holub.
	common pink wintergreen	<i>Pyrola asarifolia</i>	Michx.
	common yarrow	<i>Achillea millefolium</i>	L.
	cow parsnip	<i>Heracleum lanatum</i>	Bartr.
	cream-colored vetchling	<i>Lathyrus ochroleucus</i>	Hook.
	cut-leaved anemone	<i>Anemone multifida</i>	Poir.
	Drummond's thistle	<i>Cirsium drummondii</i>	Torr. & Gray
fringed loosestrife	<i>Lysimachia ciliate</i>	L.	

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J. Ball and C. Ball [SML 120005 & SML 120006] - CRBP Update and SIR Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sept. 20, 2016)

Life Form	Common Name	Scientific Name	Author
FORB (cont.)	giant hyssop	<i>Agastache foeniculum</i>	(Pursh) Kuntze
	graceful cinquefoil	<i>Potentilla gracilis</i>	Dougl. ex Hook.
	heart-leaved Alexanders	<i>Zizis aptera</i>	(Gray) Fern.
	harebell	<i>Campanula rotundifolia</i>	L.
	Lindley's aster	<i>Symphotrichum ciliolatum</i>	(Lindl.) Á. Löve & D. Löve
	Macoun's buttercup	<i>Ranunculus macounii</i>	Britt.
	marsh hedge-nettle	<i>Stachys palustris</i>	L.
	narrow-leaved collomia	<i>Collomia linearis</i>	Nutt.
	northern bedstraw	<i>Galium boreale</i>	L.
	nodding onion	<i>Allium cernuum</i>	Roth
	one-sided wintergreen	<i>Orthilia secunda</i>	(L.) House
	red clover	<i>Trifolium pratense</i>	L.
	red and white baneberry	<i>Actaea rubra</i>	(Ait.) Willd.
	seneca snakeroot	<i>Polygala senega</i>	L.
	smooth fleabane	<i>Erigeron glabellus</i>	Nutt.
	star-flowered Solomon's-seal	<i>Smilacina stellata</i>	(L.) Link
	tall larkspur	<i>Delphinium glaucum</i>	S. Wats.
	tall lungwort	<i>Mertensia paniculata</i>	(Ait.) G. Don
	thistle (not creeping thistle)	<i>Cirsium sp.</i>	
	three-toothed cinquefoil	<i>Sibbaldiopsis tridentata</i>	(Ait.) Rydb.
	twining honeysuckle	<i>Lonicera dioica</i>	L.
	veiny meadow rue	<i>Thalictrum venulosum</i>	Trel.
	western Canada violet	<i>Viola Canadensis</i>	L.
	western wood lily	<i>Lilium philadelphicum</i>	L.
white cinquefoil	<i>Potentilla arguta</i>	Pursh	
white cockle	<i>Silene pratensis</i>	(P. Mill.) Greuter & Burdet	
wild lily-of-the-valley	<i>Maianthemum canadense</i>	Desf.	
wild sarsaparilla	<i>Aralia nudicaulis</i>	L.	
wild strawberry	<i>Fragaria virginiana</i>	Duchesne	
wild vetch	<i>Vicia americana</i>	Muhl. ex Willd.	
GRAMINOID	bluegrass	<i>Poa spp.</i>	
	brome grass	<i>Bromus spp.</i>	
	lowland sedges	<i>Carex spp.</i>	
	upland sedges	<i>Carex spp.</i>	
	wheat grass	<i>Agropyron spp.</i>	
MOSS	Schreber's moss	<i>Pleurozium schreberi</i>	(Brid.) Mitt.
	knight's plume moss	<i>Ptilium crista-castrensis</i>	(Hedw.) De Not.
LICHEN	reindeer lichen	<i>Cladonia sp.</i>	
FUNGI	various mushrooms		

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prickly rose (*Rosa acicularis*)



common yarrow (*Achillea millefolium*)



western wood lily (*Lilium philadelphicum*)



nodding onion (*Allium cernuum*)



seneca snakeroot (*Polygala senega*)



wild lily-of-the-valley (*Maianthemum canadense*)
twinflower (*Linnaea borealis*), common pink wintergreen
(*Pyrola asarifolia*)

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agrimony (*Agrimonia striata*)

northern bedstraw (*Galium boreale*)



smooth fleabane (*Erigeron glabellus*)

common pink wintergreen (*Pyrola asarifolia*)



veiny meadow rue (*Thalictrum venulosum*)

fringed loosestrife (*Lysimachia ciliata*)

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giant hyssop (*Agastache foeniculum*)



tall lungwort (*Mertensia paniculata*)



three-toothed cinquefoil (*Potentilla tridentate*)



bunchberry (*Cornus canadensis*)



Lindley's aster (*Symphotrichum ciliolatum*)



wild sarsaparilla (*Aralia nudicaulis*)

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red clover (*Trifolium pratense*)



Canada anemone (*Anemone canadensis*)



marsh hedge-nettle (*Stachys palustris*)



common fireweed (*Epilobium angustifolium*)



graceful cinquefoil (*Potentilla gracilis*)



harebell (*Campanula rotundifolia*)



Canada goldenrod (*Solidago Canadensis*)

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western Canada violet (*Viola Canadensis*)



star-flowered Solomon's-seal (*Smilacina stellata*)



cream-colored vetchling (*Lathyrus ochroleucus*)



wild vetch (*Vicia americana*)



heart-leaved Alexanders (*Zizia aptera*)



tall larkspur (*Delphinium glaucum*)



wild gooseberry (*Ribes hirtellum*)

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plains cinquefoil (*Potentilla bipinnatifida*)



narrow-leaved collomia (*Collomia linearis*)



white cinquefoil (*Potentilla argute*)



Drummond's thistle (*Cirsium drummondii*)



cow parsnip (*Heracleum lanatum*)



Macoun's buttercup (*Ranunculus macounii*)

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common blueberry (*Vaccinium myrtilloides*)



prickly rose (*Rosa acicularis*)



buckbrush (*Symphoricarpos occidentalis*)



snowberry (*Symphoricarpos* spp.)



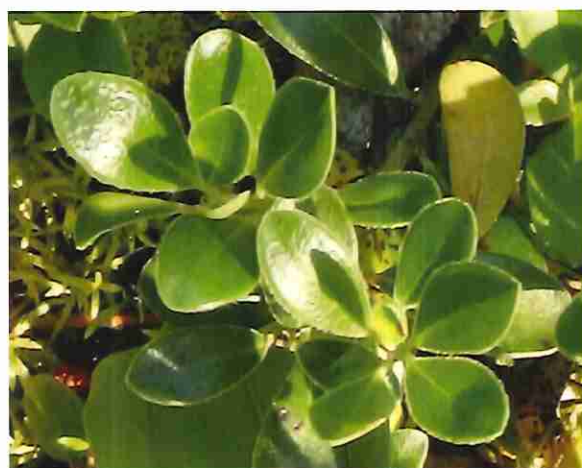
saskatoon (*Amelanchier alnifolia*)



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bog cranberry (*Vaccinium vitis-idaea*)



common bearberry (*Arctostaphylos uva-ursi*)



red and white baneberry (*Actaea rubra*)



twinflower (*Linnaea borealis*)



twining honeysuckle (*Lonicera dioica*)



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Canada buffaloberry (*Shepherdia canadensis*)



pin cherry (*Prunus pensylvanica*)



choke cherry (*Prunus virginiana*)

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Green alder (*Alnus viridis*)



reindeer lichen (*Cladonia* sp.)



Lichen growing on broken tree branches

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Schreber's moss (*Pleurozium schreberi*)



knight's plume moss (*Ptilium crista-castrensis*)



2 forms of fungi

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Appendix C.2

Weed Survey Form and Observations

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C.2-2 Weed Observation

Two types of weeds were observed and recorded during a field visit on July 14 to 15, 2015 to study the area. Nomenclature follows the ACIMS standard found in [List of All Elements](#) [14]. The white cockle (*Silene latifolia* Poiret ssp.) is classified as a noxious weed by the Alberta Invasive Species [30] and the annual hawk's-beard (*Crepis tectorum*) is classified as a serious weed by Government of Alberta [27].

Figure C.1 White cockle (*Silene latifolia* Poiret ssp.) a noxious weed found during site investigation



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Figure C.2 Annual hawk's-beard (*Crepis tectorum*) a broad-leaved weed found during site investigation



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Appendix C.3

ACIMS Search Results

Table of Results [Print Preview](#)

Date: 17/6/2016
Requestor: Consultant
Reason for Request: Environmental Assessment
SEC: 14 **TWP:** 061 **RGE:** 18 **MER:** 4



■ Non-sensitive EOs: 0 (Data Updated: July 2015)

M-RR-TTT-SS	EO_ID	ECODE	S_RANK	SNAME	SCOMNAME	LAST_OBS_D
-------------	-------	-------	--------	-------	----------	------------

No Non-sensitive EOs Found: Next Steps - See FAQ

■ Sensitive EOs: 1 (Data Updated: July 2015)

M-RR-TTT	EO_ID	ECODE	S_RANK	SNAME	SCOMNAME	LAST_OBS_D
4-18-061	16323	PDRUB1T0E0	S3	Houstonia longifolia	long-leaved bluets	7-Jul-06

No Sensitive EOs Found: Next Steps - See FAQ

■ Protected Areas: 0 (Data Updated: May 2015)

M-RR-TTT-SS	PROTECTED AREA NAME	TYPE	IUCN
-------------	---------------------	------	------

No Protected Areas Found

■ Crown Reservations/Notations: 0 (Data Updated: May 2015)

M-RR-TTT-SS	NAME	TYPE
-------------	------	------

No Crown Reservations/Notations Found

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Appendix C.4

Sensitive Plant Search

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C.4 SENSITIVE PLANT SEARCH

ACIMS Search Result shows the presence of long-leaved bluets (*Houstonia longifolia*) within SEC 14-061-18-W4M (classified as sensitive). The preferred habitat for this plant is dry gravelly or sandy soils in open upland areas; its blooming period in Alberta is typically late June to July [29]. The flower is distinctive for its purplish blue to pale blue colour, the 4-lobed tubular corolla, and the 4 stamens inserted at the upper edge of the tube, as seen in Figure C.3 and Figure C.4.

Figure C.3 Long-leaved Bluets (*Houstonia longifolia*) photographed in Alberta



Source: [Edmonton Nature Club](#) [28]

Figure C.4 Long-leaved Bluets (*Houstonia longifolia*) photographed in Minnesota



Source: [Minnesota Wildflowers, a field guide to the flora of Minnesota](#) [26]

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During our field investigation of the site on July 14 and 15, 2015, the long-leaved bluet was searched. Detailed searches were done at the 13 soil pit locations and in large open areas; the sensitive plant was also searched for during general reconnaissance of the site. The areas with a high likelihood to host the sensitive plant, such as the gully photographed below, were traversed multiple times by 3 different individuals. Gully is located on the east side of the SMLs.

Figure C.5 Photographs of preferred habitat of Long-leaved Bluets (*Houstonia longifolia*) taken during site investigation



No occurrences were observed.

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Appendix C.5

Ecosite Classification

C.5 ECOSITE CLASSIFICATION

As mentioned previously, three different plant communities were identified using indicators described for the Boreal Mixedwood Natural Region by Beckingham and Archibald in *Field Guide to Ecosites of Northern Alberta* (1996) [12]. The following sections describes the plant communities more in-depth along with photographs taken during site investigation.

C.5-1 Jack Pine-Aspen/Blueberry-Bearberry (b1.1)

The vast majority of the site occurs on an undulating plateau covered with jack pine-aspen forest with a common blueberry-common bearberry dominated understory. Indicator species for this plant community type were present throughout this ecosite type with some variation in proportional abundance due to local microtopography, variation in crown density, or successional stage (in response to local fire severity). For example, the relevant abundance of jack pine and aspen ranged from stands dominated by one or the other to an even mixture of both species. Some of the jack pine trees are fire-scarred as seen in Figure C.9. While common blueberry and common bearberry clearly dominate the shrub layer, other frequently observed species include: bog cranberry, Canada buffaloberry, twinflower, twining honeysuckle, saskatoon, prickly rose, green alder, wild lily-of-the-valley, cream-colored vetchling, wild strawberry, and feather mosses. Reindeer lichen was very rare.

The majority of the soil profiles in this community indicated well drained submesic to subxeric soil conditions with an effective soil texture of sandy loam to loamy sand (see soil pits SP01-08, SP10 to 11, SP13 in Table B.1 in Appendix B). In some areas, gravel occurred within 25 cm of the surface. Charcoal was present in all soil profiles.

Figure C.6 Photographs of mixed jack pine-aspen overstory (left) and understory (right) taken during site investigation



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The understory of the mixed aspen and jack pine consisted typically of common blueberry, common bearberry, prickly rose, saskatoon, northern bedstraw, cream coloured vetchling, wild strawberry, three-toothed cinquefoil, dandelion, and graminoids.

Figure C.7 Photographs of jack pine dominated overstory (left) and understory (right) taken during site investigation)



Figure C.8 Photographs of aspen dominated overstory (left) and understory (right) taken during site investigation)



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Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Figure C.9 Fire scarred and burned jack pines found during site investigation



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Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

C.5-2 Aspen/Saskatoon-Pin cherry (d1.2)

This plant community occurs in the northeast corner of SML 120005 where a fairly shallow gully is situated (Figure 3.1: Ecosite Map of SML 120005 and 120006). Overstory in this community is dominated by a dense stand of aspen. Prickly rose, saskatoon, willow, pin cherry, choke cherry, and wild red raspberry dominate the shrub layer. Other shrubs are currant, twining honeysuckle, and buckbrush. Additional understory species include cream-colored vetchling, wild vetch, veiny meadow rue, nodding onion, tall lungwort, giant hyssop, western Canada violet, wild strawberry, and northern bedstraw.

Edaphic conditions are mesic to submesic with silt loam textured topsoil and clay loam textured subsoil (see description of SP09 in Table B.1 in Appendix B).

Figure C.10 Photographs of aspen/saskatoon-pin cheery overstory taken during site investigation



In Figure C.10, young aspen, and willows can be seen (in the far left side), along with prickly rose and other vegetation typical of an Aspen/Saskatoon-Pin cherry (d1.2) plant community.

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SML 120005 and SML 120006

Figure C.11 Photographs of young aspen overstory (left) and understory (right) taken during site investigation



The young aspen overstory with pin cherry, prickly rose and buckbrush shrubs can be seen in Figure C.11. The typical understory of Aspen/Saskatoon-Pin cherry (d1.2) consists of saskatoon, buckbrush, prickly rose, cream-colored vetchling, northern bedstraw, wild vetch, veiny meadow rue, nodding onion, wild strawberry, and graminoids.

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Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
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C.5-3 Disturbed, cleared and grazed area

This area is located on the east side of SML 120005 (see Figure 2 in section 7.2). Common shrubs to occur in this area are small willow, choke cherry, saskatoon, snowberry, currant, and prickly rose. Other understory species include wild vetch, veiny meadow rue, wild strawberry, graceful cinquefoil, harebell, fleabane and aster. Soil is somewhat compacted and edaphic conditions are mesic to submesic. Topsoil texture is sandy loam and subsoil texture is loam (see description of SP12 in Table B.1 in Appendix B).

Figure C.12 Disturbed, cleared, and grazed area on the east side of SML 120005



Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

APPENDIX D

- Wildlife Survey by Bighorn Wildlife Technologies Ltd.
- FWMIS Report
- AER Landscape Analysis Tool Report

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix D.1
Wildlife Survey by Bighorn Wildlife
Technologies Ltd.

Surface Materials Leases: SML 120100, 120005 and 120006 Wildlife Survey

Prepared by Bighorn Wildlife Technologies Ltd.
Prepared for Tor Land Resource Inc.
September 11, 2016

1.0 Introduction

This report summarizes observations made during a wildlife survey of SML 120100, SML 120005 and SML 120006, July 14 and 15, 2016. Relative abundance and occurrence of all wildlife observed or heard are documented with special attention to species at risk as per Alberta Environment and Parks emails of March 3, 2016 and May 25, 2016 (M. Bernard). Beth MacCallum MEdes, P Biol and Rainer Ebel (ornithologist) assisted by Manna Parseyan conducted the survey.

2.0 Study Area

SML120100 is located within Sec 21-TWP 61-RGE 18-W4M while SML 120005 and 120006 are located within parts of Sec 14-TWP 61-RGE 18-W4M. Leaseholders plan to extract the sand and gravel within the lease areas to meet the demand for aggregate for private and public projects in Smoky Lake County, Sturgeon County and the Edmonton area. The study area is currently treed and falls within the Central Mixedwood Natural Subregion of the Boreal Natural Region. The SMLs have a grazing lease.

SML 120100

The dominant tree types in SML 120100 are jack pine and aspen. Main understory shrubs include common bearberry, green alder, common blueberry, prickly rose and saskatoon (Ball 2015). SML 120100 is located on a rolling and hummocky plain that is adjacent to and oriented NE-SW, parallel with a melt water channel that is occupied by the modern White Earth Creek (Ball 2015). A series of natural ponds are located outside of the southern boundary of the SML. The west side of the SML is bordered by a small stream.

SML 120005 and 120006

Vegetation is dominated by Jack Pine-Aspen/Blueberry- Bearberry (b1.1) ecosite [PC-1] (Figure 3-1, Appendix 3 Ecosite Survey Report). A small cleared area is located on the southeast corner. It is classified as a disturbed, cleared and grazed area [DC]. North of the cleared area there is a small area of Aspen/Saskatoon-Pin cherry (d1.2) vegetation (Ball and Ball 2013). The topography is gently rolling to hummocky. The site does not contain and is not adjacent to a permanent water body. There is an ephemeral draw which is shown on the Smoky Lake County Ownership Map passing through the SML's (DWG 1A, 1B) (15). Local surface drainage patterns are likely where hummocks are present. The general direction of surface drainage is from north to south. Overland flow is unlikely because the permeable gravel deposit is at the surface –

rainfall and snowmelt infiltrate the gravel before flowing in the subsurface towards the lower south. Several rounded depressions are found throughout the study area. These are fully treed.

3.0 Methods

Presence/not-detected of boreal breeding birds was sampled using a transect method covering the whole of the local area. On SML 120100 transects, were placed approximately 200 m apart in the direction (NE-SW) parallel to the slope of the ridges (Figure 1). Total transect length walked was 2,966 m; survey time was 2 hours. Additional time was spent recording birds on the nearby pond located on the SE corner of SML 120100. SML 120005 and 120006 were surveyed as one unit; transects were placed 100-200 m apart in a north south direction (Figure 2). Total transect length was 3744; survey time 4.5 hours.

SML 120100 was surveyed July 14 SML 120005 and 120006 were surveyed July 15. This time of year young birds have fledged but not begun to migrate therefore can be considered resident birds. During the survey, all birds observed or heard were recorded as well as sign (i.e., woodpecker holes, nests). All other wildlife sign and observations were also noted.

Observations made en route to the study areas (i.e., through the gravel pit and forest roads) were also recorded as incidental to the survey. Effort was made to identify species that may occur in the general area surrounding the study area by reviewing literature available from Long Lake Provincial Park (Schaafsma and Schaafsma 1973) located to the NW of the study area and interviewing local Smoky Lake (located to the south of the study area) naturalists R. and L. Morgan.

4.0 Results

4.1 Relative Abundance and Occurrence

4.1.1 SML 120100, 120005, 120006

Fourteen bird species and 39 birds were observed on SML120100 and 23 species and 121 birds were observed on SML120005 and 120006 for a total of 30 species and 160 birds (Table 1). The most common birds observed were: Black-capped Chickadee (36), White-winged Crossbill (30 in one flock), White-throated Sparrow (17) and Dark-eyed Junco (12). Relatively Common species were: Hermit Thrush (8), Blue-headed Vireo (7), Least Flycatcher (6), Warbling Vireo, and Barn Swallow. Less Common were: Western Wood-Pewee (4), Yellow-rumped Warbler (4), Red-eyed Vireo (3), Boreal Chickadee (3), American Goldfinch (3), Gray Jay (2), Blue Jay (2), Orange-crowned Warbler. One observation of each of the 11 following species was made during the survey: Mourning Dove, Great Horned Owl, Downy Woodpecker, Alder Flycatcher, Common Raven, Red-breasted Nuthatch, House Wren, American Robin, Cedar Waxwing, Clay-colored Sparrow, and Lincoln's Sparrow. Sign of the Yellow-bellied Sapsucker (old) and Pileated Woodpecker were also observed.

Birds exclusively observed on SML120100 were: Mourning Dove (calling from west side of small creek forming the west boundary of this SML), Great Horned Owl (feather), Yellow-

bellied Sapsucker (old holes in birch), Alder Flycatcher (from south boundary), Warbling Vireo (throughout), Gray Jay, and Common Raven.

Bird species exclusively observed on SML 120005 and 120006 were: Downy Woodpecker, Western Wood-Pewee, Least Flycatcher, House Wren (these three species were located in mature aspen-jackpine with dense shrub understory on access road from east side), Blue-headed Vireo (throughout), Red-eyed Vireo, Gray Jay, Boreal Chickadee, Red-breasted Nuthatch, Hermit Thrush, American Robin, Cedar Waxwing, Clay-colored Sparrow (open fields on east side), Lincoln's Sparrow, White-winged Crossbill (flyover), and American Goldfinch.

Note that all Dark-eyed Juncos observed were Slate-colored Juncos and all Yellow-rumped Warblers observed were Myrtle Warblers.

4.1.2 Incidental

The following additional species were observed in the immediate vicinity of the SMLs on July 14 and 15.

In the gravel pits to the south of the SML's were: Killdeer (1), Wilson's Snipe (1), Tree Swallow (2), Savannah Sparrow (1) and Dark-eyed Junco (1). The gravel pits were comprised of a mix of active areas, volunteer graminoid-forb vegetated hummocks and small water-filled depressions. Cattle were grazing on the vegetated areas. A Texas gate separated the gravel pit area from a black spruce / tamarack marsh. Wilson's Snipe, Gray Jay, and Lincoln's Sparrow were identified at this location.

Several bird species were recorded from the road through the forested area between the gravel pits and the SMLs including a Common Nighthawk, not identified elsewhere.

A series of ponds were located in the lowlands on the SE corner of SML 120100 (Figure 1). The following species were observed on the pond and in the habitat surrounding the pond, July 14, 2016: Mallard (hen with 9 ducklings), Common Goldeneye (possibly an adult in eclipse plumage), Spotted Sandpiper (1), Alder Flycatcher (1), Red-eyed Vireo (1), Hermit Thrush (1), Cedar Waxwing (1), Tennessee Warbler (1), White-throated Sparrow (1). A Sandhill Crane has been observed here during spring migration (pers. comm. Manna Parseyan, Tor Land Resource Inc., July 14, 2016). Habitat for the Yellow Warbler and Common Yellowthroat occur adjacent this pond although none were detected at this time.

A Turkey Vulture and Black Tern were observed on Hwy 28 west of the Town of Smoky Lake and south of the waterbody Smoky Lake, July 15, 2016.

A total of 43 species and 212 birds were observed on the SMLs and immediate vicinity, July 14 and 15 (Table 1).

4.1.3 Regional

Two other sources of birds in the region were researched and results added to Table 1. Eighty

species of birds were identified at Long Lake Provincial Park in 1973 (Schaafsma and Schaafsma 1973) and 35 species of birds were identified in the vicinity of the Town of Smoky Lake; most observations were in habitat near a bridge crossing of White Earth Creek about 5 km NE of Smoky Lake (pers. comm. Bob and Linda Morgan, July 31, 2016).

4.1.4 Other Wildlife

Table 2 summarizes mammal and amphibian observations made during the July 14 and 15th survey. Sign of black bear (fresh scat and turned over logs) was observed throughout the study area. Red squirrel observations and middens were commonly encountered. A Richardson's Ground squirrel was observed in the gravel pits and coyote scat was present on the road between the gravel pits and study area. Moose and deer beds and tracks were found in both areas; two white-tailed deer were observed in a Jackpine stand north of SML 120006. Recent domestic cattle beds were found on a grassy slope in SML120100 and a Wood Frog was observed in riparian habitat associated with the small stream on the west side of SML 120100.

5.0 Summary

Alberta Environment and Parks (Miguel Bernard, email May 25, 2016) indicates that:

SE-21-61-18 W4M is identified as an Environmentally Significant Area in proximity to a KWBZ, with numerous Species At Risk or Species of Management Concern identified within approximately 5 km of, and within similar habitats as, the SML area – suggesting that this area contains high biodiversity and habitat value (e.g. extracted from table: Western Toad (Sensitive and Special Concern), Canadian Toad (May Be At Risk, Data Deficient and Special Concern (Schedule 1), Green-winged Tea (Sensitive), Lesser Scaup (Sensitive), Great Blue Heron (Sensitive), Sora (Sensitive), Sandhill Crane (Sensitive), Western Wood-Pewee (Sensitive), Least Flycatcher (Sensitive), Sedge Wren (Sensitive), Common Yellowthroat (Sensitive) and Canada Lynx (Sensitive).

and that (Miguel Bernard, email March 3, 2016):

NW-14-61-18 W4M and SW-14-61-18 W4M are both identified as an Environmentally Significant Areas and lie within the 100 m break of White Earth Creek, with numerous Species At Risk or Species of Management Concern identified within approximately 5 km of, and within similar habitats as, the SML areas (e.g., Lesser Scaup, Green-winged Teal, Sharp-tailed Grouse, Sora, Great Gray Owl, Western Wood-Pewee, Least Flycatcher, Common Yellowthroat, Cape May Warbler, Western Toad, Canadian Toad) – suggesting that this area contains high biodiversity and habitat value.

The occurrence or possible occurrence of these species is discussed in this section and under the categories: Amphibians, Sharp-tailed Grouse, Boreal breeding songbirds and woodpeckers and Boreal raptors and owls as per Miguel Bernard (emails May 25, 2016 and March 3, 2016).

5.1 Amphibians

Suitable waterbodies required by Canadian and Western toads for breeding and egg-laying in the spring do not occur on the SMLs. Similarly, habitat for the Lesser Scaup, Green-winged Teal, Sandhill Crane, Great Blue Heron, Sora, Sedge Wren and Common Yellowthroat does not occur on SML 120100, 120005 and 120006. These species are reliant on waterbodies or wetland shrub habitats associated with waterbodies. Shallow fishless ponds suitable for amphibian breeding ponds can be incorporated into reclamation activities thus providing future breeding habitat for toads, certain waterfowl and shorebirds.

5.2 Sharp-tailed Grouse

The Sharp-tailed Grouse (Sharptail) is listed as Sensitive in Alberta. Alberta Environment and Parks indicates that:

“It is a common, widespread species; however, the population appears to be declining, and farming intensification has decreased habitat availability in central Alberta”

(<http://esrd.alberta.ca/fish-wildlife/species-at-risk/wild-species-status-search.aspx>) [accessed, September 11, 2016].

No evidence of Sharp-tailed Grouse was found during the July 14 and 15, 2016 survey of SMLs 120100, 120005 and 120006. Sharp-tailed Grouse do not appear on the Long Lake Provincial Park bird list nor did the local naturalists from Smoky Lake mention them. Prime habitat for Sharp-tailed Grouse is found farther south and east of the Town of Smoky Lake but they do naturally occur in the Boreal forest at low densities. Hunting for Sharp-tailed Grouse in WMU504 (Amisk) is closed.

Good sharptail habitat contains a mix of grasses, forbs, and many species of shrubs. Sharptails primarily choose habitat based on openness of landscape, height and density of vegetation, and type of vegetation. Preferred vegetation types vary greatly. In the boreal forest, Sharp-tailed Grouse are found in brushy areas, openings, and bogs. In winter, sharp-tailed grouse rely on riparian areas, deciduous hardwood shrub gullies, and deciduous and open coniferous woods. Deciduous trees and shrubs are important for feeding, roosting, and escape.

Sharptails prefer leks sites (spring breeding grounds) with short, sparse vegetation such as grasses, weeds, forbs, and some shrubs. Sparse and open vegetation on leks enables aggressive displays by males and minimizes predation. Sparse shrubs providing escape cover from predators, are often found adjacent to leks. Leks are sometimes associated with recently burned or grazed sites.

Should sharptails occur in the study area, habitat found in SML 120100 is more suited to sharptail preferences than that of SML 120005 and 120006, although a small area of cleared pasture is found in SML 120005. Habitat on SML 120100 is characterized by a mix of open dry grasslands, mixed jackpine-aspen forests and deciduous dominated forest associated with the

riparian area on the west side of the property. Alder, and a variety of berry-bearing shrubs (blueberry, saskatoon, bog cranberry and bearberry) are present throughout this area.

Reclamation promoting a diversity of habitats including grassy open areas, in proximity to open forests and shrubby areas is recommended habitat for Sharp-tailed Grouse.

It was noted that the berry crop (blueberry, saskatoon, bearberry, rose) was abundant in 2016. The inclusion of these plant species in a reclamation program is important for maintaining regional wildlife populations that depend on them (grouse, migratory bird species, black bear).

5.3 Boreal Breeding Songbirds and Woodpeckers

Of the 41 species observed on the SMLs and incidentally during the July 14 and 15 survey, 35 species were listed as 'Secure' by Alberta Environment and Parks and 6 were identified as 'Sensitive'. Sensitive species are: Black Tern, Common Nighthawk, Western Wood-Pewee, Least Flycatcher, Barn Swallow and Pileated Woodpecker.

Black Terns were observed just west of the Town of Smoky Lake from Hwy 28. These birds were likely nesting on Smoky Lake. Habitat for Black Terns does not occur in the study area.

Common Nighthawk nest in a wide range of open, vegetation-free habitats, including burnt-over areas, logged areas, rocky outcrops, grasslands, pastures, peat bogs, marshes, lakeshores, and river banks. This species also inhabits mixed and coniferous forests and is known to occur in dry Jackpine stands. One Common Nighthawk was heard from the forest road between the gravel pits and the study area.

Western Wood-Pewee and Least Flycatcher were found in SML 120005 and SML 120006. The Western Wood-Pewee occurred in edge habitat throughout this area. Least Flycatcher observations were localized on the east side of SML 120005 where the discontinuous canopy provided an ideal open space for foraging for insects under the aspen canopy cover and above the tall shrub vegetation.

Barn Swallows in small numbers were observed foraging above the tree canopy throughout the study area. It is unknown where the roost sites were; they may be some distance from the study area.

Three species of woodpeckers were recorded during the survey. Evidence of Yellow-bellied Sapsucker (Secure in Alberta) was found on birch trees located in SML120100 although the drilling was old and new birch was not touched indicating that perhaps the woodpecker population is low in the area.

Sign that Pileated Woodpecker (Sensitive in Alberta) was foraging on jackpine and aspen trees occurred in both study areas, but in general the aspen trees are too small for nesting for this large bird, especially in SML 120100. Small numbers of Pileated Woodpecker likely use the study area for foraging.

Downy and Hairy Woodpeckers (both Secure in Alberta) may occur along the creek area associated with SML 120100 but in very small numbers. In SML120005, one male Downy Woodpecker was observed in mature aspen forest on the east side of the property.

The Cape May Warbler (Sensitive in Alberta) may occur on the study area during spring and fall migration but old growth forest required for breeding does not occur in the study area.

5.4 Boreal Raptors and Owls

No diurnal raptors were observed on the study area during the July 14 and 15, 2016 survey.

It is possible that Sharp-shinned Hawks (Secure in Alberta) and Cooper's Hawks (Secure in Alberta) use the area for hunting smaller birds. It is possible that Goshawks (Sensitive in Alberta) may also forage here as part of a territory but it is unlikely. Goshawks hunt a variety of small mammals and birds including grouse. Red squirrels and squirrel middens were found throughout the area but there was little evidence to suggest that snowshoe hare, an important prey species for the Goshawk, was present.

The study area is too dry for nesting by Northern Harriers (Sensitive in Alberta).

Trees in SML120100 are too small for nesting by the larger hawks present in the region: Red-tailed Hawk (Secure in Alberta), and Broad-winged Hawk (Sensitive in Alberta).

The Great Horned Owl (Secure in Alberta) is likely the most common nocturnal raptor present in the study area. It is known that Great Grey Owls (Sensitive in Alberta) nest in the Smoky Lake region. These birds may occur in the study area along with the Northern Hawk Owl (Secure in Alberta) in years of small mammal abundance. It is possible that Barred Owls (Sensitive in Alberta) occasionally move through the study area.

6.0 References

Katie Ball. March 2015. Conservation and Reclamation Business Plan Surface Materials Lease SML 120100. Prepared by Tor Land Resource Inc.

Jordan Ball and Cathy Ball. December 2013. Consolidated Conservation and Reclamation Business Plan Surface Materials Leases SML 120005, SML 120006. Prepared for by Tor Land Resource Inc.

R.D. & S. Schaafsma. 1973. An ecological survey of Long Lake Provincial Park. Provided by Ksenija Vujnovic. Alberta Environment & Parks [e-mail September 9, 2016].

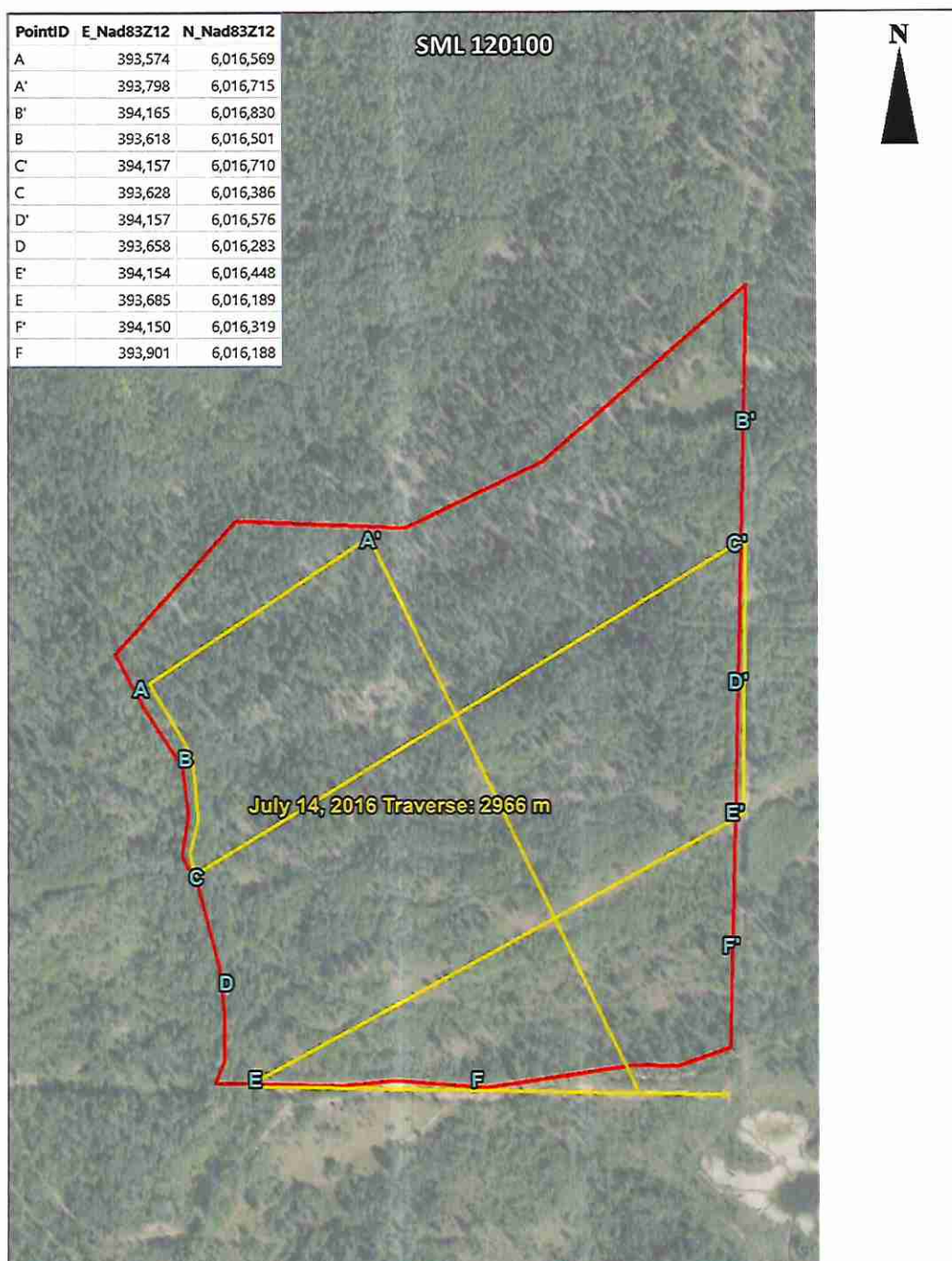


Figure 1. Boundary (red line) and survey route (yellow line) for SML 120100, July 14, 2016.

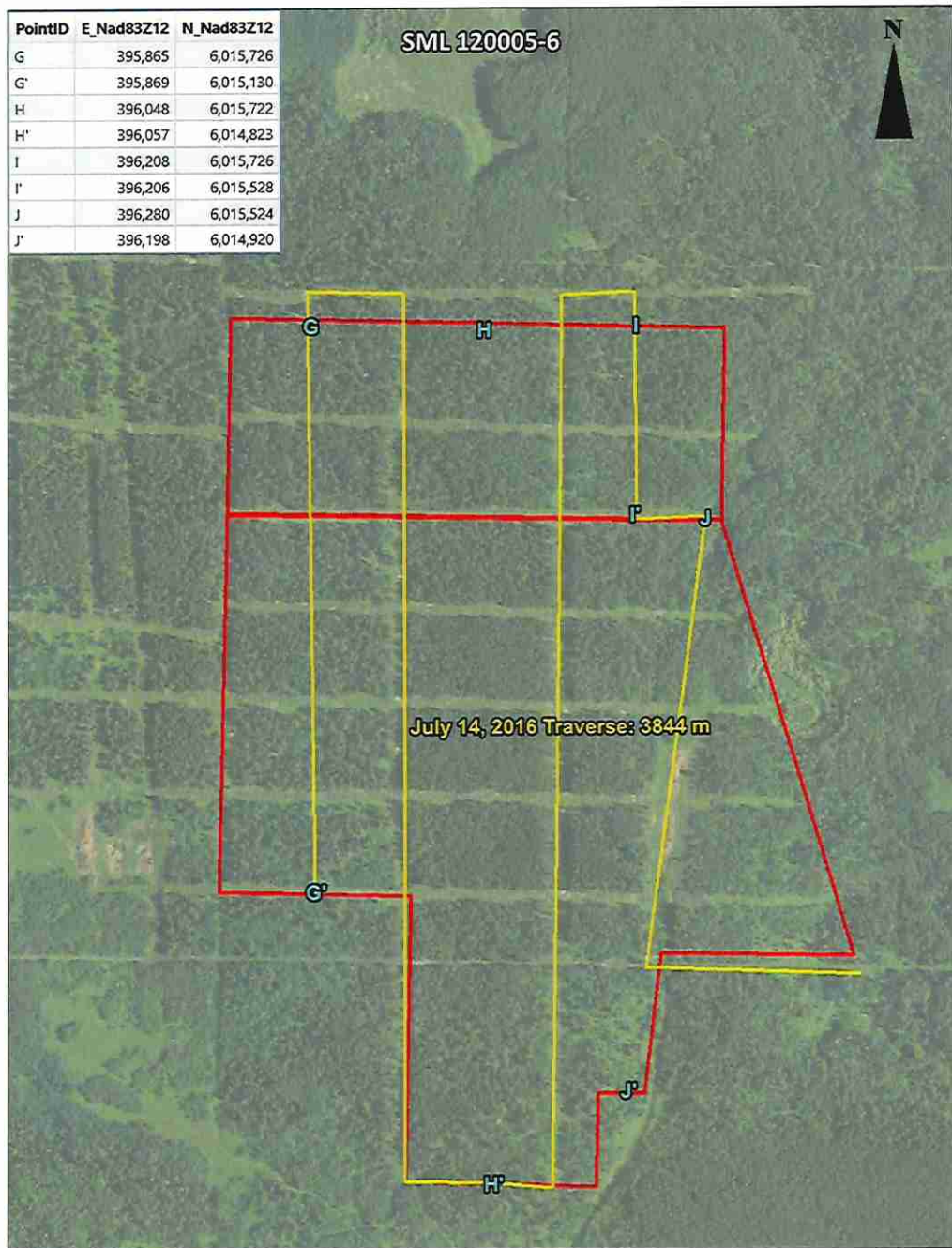


Figure 2. Boundary (red line) and survey route (yellow line) for SML 120005 and 120006, July 15, 2016.

Table 1. Bird list for SML 120100 (July 14, 2016), SML 120005 and 120006 (July 15, 2016), Incidental to the SMLs (July 14 & 15, 2016), Long Lake Provincial Park (1973) and Smoky Lake area (recent).

No.	Common Name	SML 120100	SML 120005 120006	Incidental	All SMLs and Incidental	Birds in Smoky Lake area	Birds in Long Lake Provincial Park
Order	Family	14-Jul	15-Jul	July 14&15	July 14&15	recent	1973
Anseriformes							
Anatidae							
1	American Wigeon						O; U
2	Mallard			10	10		Br; C
3	Blue-winged Teal						O; U
4	Northern Shoveler					O	
5	Northern Pintail					O	
6	Lesser Scaup						O; C
7	White-winged Scoter						O; U
8	Bufflehead					O	O; U
9	Common Goldeneye			1	1	O	O; C
10	Barrow's Goldeneye						O; VU
Galliformes							
Phasianidae							
11	Ring-necked Pheasant					O	
12	Ruffed Grouse						Br; U
Gaviiformes							
Gaviidae							
13	Common Loon						PrB
Podicipediformes							
Podicipedidae							
14	Horned Grebe						PrB
15	Red-necked Grebe						Br; C
Suliformes							
Phalacrocoracidae							
16	Double-crested Cormorant					O	
Pelecaniformes							
Ardeidae							
17	Great Blue Heron					O	O; U
Accipitriformes							
Cathartidae							

18	Turkey Vulture		1	1			
	Pandionidae						
19	Osprey					0	
	Accipitridae						
20	Broad-winged Hawk					0	O; FC
21	Red-tailed Hawk						
	Gruiformes						
	Rallidae						
22	American Coot						O; U
	Gruidae						
23	Sandhill Crane					0	
	Charadriiformes						
	Recurvirostridae						
24	American Avocet						Acc
	Charadriidae						
25	Killdeer		1	1			0
	Scolopacidae						
26	Spotted Sandpiper		1	1			O; C
27	Lesser Yellowlegs						O; C
28	Least Sandpiper						O; C
29	Semipalmated Sandpiper						O; C
30	Wilson's Snipe		2	2			Br; U
	Laridae						
31	Bonaparte's Gull						O; C
32	Franklin's Gull						O; U
33	California Gull						O; U
34	Herring Gull						O; VU
35	Black Tern		1	1			O; C
	Columbiformes						
	Columbidae						
36	Eurasian Collared-Dove					0	
37	Mourning Dove		1	1		0	
	Cuculiformes						
	Cuculidae						
38	Black-billed Cuckoo						PoB
	Strigiformes						
	Strigidae						
39	Great Horned Owl		1	1			O; U
40	Great Gray Owl					0	
	Caprimulgiformes						
	Caprimulgidae						

41	Common Nighthawk			1	1		O; U
	Trochilidae						
42	Ruby-throated Hummingbird					O	O; VU
43	Rufous Hummingbird					O	
	Coraciiformes						
	Alcedinidae						
44	Belted Kingfisher						O; U
	Piciformes						
	Picidae						
45	Yellow-bellied Sapsucker	Sign			Sign	O	O; U
46	Downy Woodpecker		1		1	O	O; U
47	Hairy Woodpecker						O; VU
48	Northern Flicker						O; VU
49	Pileated Woodpecker	Sign	Sign		Sign		PrB
	Falconiformes						
	Falconidae						
	Merlin						O
	Passeriformes						
	Tyrannidae						
50	Western Wood-Pewee		4		4		O; C
51	Alder Flycatcher	1		1	2		O; C
52	Least Flycatcher		6		6		
53	Eastern Phoebe					O	O; U
54	Eastern Kingbird					O	O; C
	Vireonidae						
55	Blue-headed Vireo		7		7		O; VU
56	Warbling Vireo	5			5		
57	Red-eyed Vireo		3	3	6		O; C
	Corvidae						
58	Gray Jay		2	1	3		O; C
59	Blue Jay	2			2	O	O; U
60	Black-billed Magpie					O	O; VU
61	American Crow					O	O; C
62	Common Raven	1			1	O	
	Hirundinidae						
63	Purple Martin					O	
34	Tree Swallow			2	2	O	O; C
65	Northern Rough-winged Swallow						O; U
66	Cliff Swallow					O	

67	Barn Swallow	2	3		5	O	O; C
	Paridae						
68	Black-capped Chickadee	13	23	7	43		O; C
69	Boreal Chickadee		3		3		
	Sittidae						
70	Red-breasted Nuthatch		1		1		
	Troglodytidae						
71	House Wren		1		1		O; FC
72	Marsh Wren						O; FC
	Turdidae						
73	Mountain Bluebird					O	
74	Veery						O; C
75	Swainson's Thrush						O; VU
76	Hermit Thrush		8	4	12		O; VU
77	American Robin		1	1	2		O; C
	Sturnidae						
78	European Starling						
	Bombycillidae						
79	Cedar Waxwing		1	2	3	O	O; U
	Parulidae						
80	Ovenbird						O; C
81	Black-and-white Warbler						O; U
82	Tennessee Warbler			2	2		O; C
83	Orange-crowned Warbler	1	1		2		
84	Mourning Warbler						O; U
85	American Redstart						O; U
86	Yellow Warbler					O	O; C
87	Chestnut-sided Warbler						O; VU
88	Yellow-rumped Warbler	1	3		4		O; C
89	Wilson's Warbler						O; U
	Emberizidae						
90	Chipping Sparrow						O; U
91	Clay-colored Sparrow		1		1		O; C
92	Vesper Sparrow					O	
93	Savannah Sparrow			1	1		
94	Song Sparrow					O	O; U
95	Lincoln's Sparrow		1	1	2		
96	White-throated Sparrow	6	11	5	22		O; C
97	Dark-eyed Junco	5	7	4	16	O	O; C
	Cardinalidae						
98	Rose-breasted Grosbeak						O; C

99	Red-winged Blackbird						O; C
100	Brewer's Blackbird						Br; VU
101	Brown-headed Cowbird						Br; FC
102	Baltimore Oriole						O; C
	Fringillidae						
103	White-winged Crossbill		30		30		
104	Pine Siskin						O; VU
105	American Goldfinch		3		3	O	O; VU
	Passeridae						
106	House Sparrow					O	
	No of species	14	23	21	43	35	80
	Total Birds	39	121	52	212		
Breeding Status (Long Lake Provincial Park)							
Br Breeding confirmed (nest building, eggs in nest, adult carrying food, recently fledged young)							
PrB Probable Breeding (pair or male observed in suitable habitat exhibiting courtship or visits to nest site)							
PoB Possible Breeding (observed or heard singing in suitable habitat)							
O Observed (Information not enough to determine seasonal occurrence or breeding)							
Relative Abundance (Long Lake Provincial Park)							
C Common (Species very likely to be seen)							
FC Fairly Common (Species rather numerous but fewer than common species)							
U Uncommon (Species seen infrequently, may have a large range or occur in low numbers)							
VU Very Uncommon (record of one bird or one pair during observation period)							

Table 2. Wildlife observations and sign recorded during the bird survey of SML 120100, 120005 and 120006, July 14 and 15, 2016. Refer to Figure 1 and 2 for location reference.

July 14, 2016

Number of sightings	Wildlife observations or sign	Location (with GPS location when available) [UTM Zone 12]
In the vicinity of SML 120100		
1	Richardson's Ground Squirrel	in gravel pits south of study area.
	Coyote scat	on forest road between gravel pit and study area
In SML 120100		
	Deer tracks	on trail from SE corner to F
	Black bear droppings (old) on slope	394048 E, 6016395 N
	Moose tracks	heading N along fence between E and E'
	Deer tracks	heading S along fence between E and E'
1	Milbert's Tortoiseshell	between E' and C'
	Red squirrel - very large midden	393969 E, 6016608 N
	Black bear possible den	393969 E, 6016608 N
	Pileated Woodpecker holes in jack pine trees	393955E, 6016575 N
	Moose tracks in old test plot	393737 E, 6016402 N
7	Domestic cattle beds on grass/sedge slope	393680 E, 6016378 N
1	Wood frog under aspen forest beside creek	393639 E, 6016369 N
1	summer squirrel nest	393768 E, 6016733 N
	Black bear sign: logs turned over	394111 E, 6016251 N
1	old set of White-tailed Deer antlers	394111 E, 6016251 N

July 15, 2016

SML120005 and 120006

Time of Observation (HH:MM) 24hr	Number of sightings	Wildlife observations or sign	Location (with GPS location when available) [UTM Zone 12]
08:49		Black bear droppings	along trail and logs turned over J' to J
09:06		Moose bed on cutline and moose tracks	396202 E, 6015614 N
9:15		Large squirrel midden	in bottom of 2 nd basin north of cutline 396201 E, 6015643 N
09:30	2	White-tailed deer (female and unknown)	in jack pine stand on the north side of cutline at I (Figure 2); snort and run away.
10:40		Pileated Woodpecker holes at the base of aspen trees	396065 E, 6014826 N
10:40		very old female white-tailed deer skull and femur	near H' (Figure 2)
10:52		log rolled by black bear (fresh)	
11:40		Pileated Woodpecker holes	in tree between G and G' (Figure 2) 395899 E, 6015740 N
11:40		log rolled by black bear	385887 E, 6015299 N

APPENDIX I.

An Ecological Survey of Long Lake Provincial Park, 1973. R.D. and S. Schaafsma. Appendix 2. Annotated List of the Birds

An Ecological Survey of Long Lake Provincial Park
1973. R.D. & S. Schaafsma

APPENDIX 2: ANNOTATED LIST OF THE BIRDS

- Common Loon (Gavia immer) - One pair, probably nesting, seen on lake from time to time.
- Red-necked Grebe (Podiceps grisegena) - Commonly seen near lake shores, several nests were found in bulrushes and cattails.
- Horned Grebe (Podiceps auritus) - One pair, probably nesting, seen at south end of lake.
- Great Blue Heron (Ardea herodias) - Two individuals seen from time to time.
- Mallard (Anas platyrhynchos) - Commonly seen in shallows near the lake shore. Several nests were sighted, one as late as July 10.
- Blue-winged Teal (Anas discors) - Occasionally seen in shallows near the lake shore.
- American Wigeon (Anas americana) - Occasionally seen on lake.
- Lesser Scaup (Aythya affinis) - Small flocks commonly seen on lake.
- Common Goldeneye (Bucephala clangula) - Small flocks commonly seen in the spring, individuals occasionally seen on the lake throughout the summer.
- Barrow's Goldeneye (Bucephala islandica) - One pair seen on the lake near the southern park boundaries.
- Bufflehead (Bucephala albeola) - Occasionally seen on lake.

White-winged Scoter (Melanitta deglandi) - Seen occasionally in spring, but rarely sighted during the summer.

Broad-winged Hawk (Buteo platypterus) - Often seen near aspen poplar - sedge community ecotones.

add Merlin, Osprey

Eagle (species uncertain) - Sighted once near dusk.

Ruffed Grouse (Bonasa umbellus) - One male heard drumming during spring. Drumming location found and male was sighted on several occasions.

Coot (Fulica americana) - Occasionally seen in shallows along lake shore.

Common Snipe (Capella gallinago) - Sighted while male was performing his display flight.

Spotted Sandpiper (Actitis macularia) - Common along shorelines.

Lesser Yellowlegs (Tringa flavipes) - Common along shorelines.

Least Sandpiper (Calidris minutilla) - Common along shorelines.

Semipalmated Sandpiper (Calidris pusillus) - Common along shorelines.

American Avocet (Recurvirostra americana) - Three birds sighted on lake May 25. Unique sighting; the birds were out of their normal range and were not seen again.

Herring Gull (Larus argentatus) - Sighted on one occasion on May 25.

California Gull (Larus californicus) - Occasionally seen on lake.

Franklin's Gull (Larus pipixcan) - Occasionally seen on lake.

Bonaparte's Gull (Larus philadelphia) - Common on lake.

Black Tern (Chlidonias niger): Commonly seen feeding over lake.

Black-billed Cuckoo (Coccyzus erythrophthalmus) - Individual sighted on several occasions about one mile north of park. Possibly nesting.

Great Horned Owl (Bubo virginianus) - Sighted on several occasions in trees near lake shore.

Common Nighthawk (Chordeiles minor) - Occasionally seen flying at dusk. Female with two chicks seen July 10 in an open jackpine community.

Ruby-throated Hummingbird (Archilochus colubris) - Seen on one occasion in park maintenance area.

Belted Kingfisher (Megaceryle alcyon) - Occasionally seen in trees along lake shore.

Common Flicker (Colaptes auratus) - Sighted on a single occasion in an old balsam poplar.

Pileated Woodpecker (Dryocopus pileatus) - Occasionally seen in mature balsam poplar stands. Probably nesting.

Yellow-bellied Sapsucker (Sphyrapicus varius) - Sighted on several occasions in black spruce forests.

Hairy Woodpecker (Dendrocopos villosus) - Sighted on one occasion in a black spruce tree.

Downy Woodpecker (Dendrocopos pubescens) - Occasionally seen in aspen-balsam poplar forests.

Eastern Kingbird (Tyrannus tyrannus) - Common in open wooded areas.

Eastern Phoebe (Sayornis phoebe) - Occasionally seen in aspen-balsam poplar forests.

Traill's Flycatcher (Empidonax traillii) - Common in open black spruce bogs.

Western Wood Peewee (Contopus sordidulus) Common in black spruce bogs.

Tree Swallow (Iridoprocne bicolor) - Commonly sighted over lawn communities.

Rough-winged Swallow (Stelgidopteryx ruficollis) - Occasionally seen in lawn communities.

Barn Swallow (Hirundo rustica) - Common in picnic areas, nests found under eaves of cabins.

Gray Jay (Perisoreus canadensis) - Common in black spruce bogs.

Blue Jay (Cyanocitta cristata) - Occasionally seen in mixed poplar forests.

Black-billed Magpie (Pica pica) - Group of five individuals sighted on a single occasion.

Common Crow (Corvus brachyrhynchos) - Common around picnic and dumping grounds.

Black-capped Chickadee (Parus atricapillus) - Common throughout the park's wooded areas.

House Wren (Troglodytes aedon) - Sighted on several occasions near campsites.

Long-billed Marsh Wren (Telmatodytes palustris) - Several individuals in reeds at north end of lake.

- American Robin (Turdus migratorius) - Common in open forests.
- ✓ Hermit Thrush (Catharus guttata) - Rare in dry aspen poplar and jackpine communities.
- Swainson's Thrush (Catharus ustulata) - A single individual was seen in an aspen forest community.
- Veery (Catharus fuscus) - Common in aspen-balsam poplar forests.
- Cedar Waxwing (Bombicilla cedrorum) - Occasionally seen in trees at edge of clearings.
- Solitary Vireo (Vireo solitarius) - Seen on one occasion in an aspen-balsam poplar forest.
- Red-eyed Vireo (Vireo olivaceus) - Common in aspen-balsam poplar forests.
- Black-and-white Warbler (Mniotilta varia) - Occasional in willow communities.
- Tennessee Warbler (Vermivora peregrina) - Common in aspen-balsam poplar forests.
- Yellow Warbler (Dendroica petechia) - Common in willow thickets.
- Myrtle Warbler (Dendroica coronata) - Common in open woodlands.
- Chestnut-sided Warbler (Dendroica pensylvanica) - A single pair sighted in a willow thicket. This species is very rare in Alberta.
- Ovenbird (Seiurus aurocapillus) - Common in aspen-balsam poplar woodlands.
- Mourning Warbler (Oporornis philadelphia) - Occasionally seen in shrub understories of aspen forests.
- Wilson's Warbler (Wilsonia pusilla) - Occasionally seen in willow thickets.

- American Redstart (Setophaga ruticilla) - Occasionally seen in aspen-balsam woodland - willow thicket ecotones.
- Red-winged Blackbird (Agelaius phoeniceus) - Common in reeds and cattails along lake shores.
- Baltimore Oriole (Icterus galbula) - Common in open aspen forests.
- Brewers Blackbird (Euphagus cyanocephalus) - One pair seen nesting in planted spruce trees. July 10.
- Brown-headed Cowbird (Molothrus ater) - Abundant around picnic grounds. Eggs found in the nest of a hermit thrush.
- Rose-breasted Grosbeak (Pheucticus ludovicianus) - Common in forested areas throughout park.
- Pine Siskin (Spinus pinus) - Sighted in a black spruce bog in one occasion.
- American Goldfinch (Spinus tristis) - One individual sighted in a willow thicket.
- Dark-eyed Junco (Junco hyemalis) - Common in open areas.
- Chipping Sparrow (Spizella passerina) - Occasional in forested areas.
- Clay-colored Sparrow (Spizella pallida) - Common in open areas and along forested roadsides.
- White-throated Sparrow (Zonotrichia albicollis) - Common in forested areas.
- Song Sparrow (Melospiza melodia) - Occasionally seen in thickets along lake shores.

APPENDIX II.

Photos July 14, 2016



Fig.1 – Cattle grazing in gravel pits



Fig.2 – Pileated woodpecker holes in jack pine



Fig.3 – Potential bear den



Fig.4 – Open grasslands on NE-SW trending ridges



Fig. 5 – Wood frog in ground litter



Fig.6 – Open mixed wood forest

APPENDIX II. (CONT')

Photos July 15, 2016



Fig.7 – Aspen/jack pine mixed wood southeast side of SML 120005



Fig.8 – Cleared pasture SML 120005



Fig.9 – Extensive wild onion in understory SML 120006



Fig.10 – White-tailed deer doe, edge of SML 120006



Fig.11 – Squirrel Midden



Fig.12 – Pileated woodpecker Activity in aspen

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix D.2

FWMIS Report

Fish and Wildlife Internet Mapping Tool (FWIMT)

(source database: Fish and Wildlife Management Information System (FWMIS))

Species Summary Report

Report Created: 17-Jun-2016 09:09

Species present within the current extent :

Fish Inventory

No Species Found in Search Extent

Wildlife Inventory

No Species Found in Search Extent

Stocked Inventory

No Species Found in Search Extent

Buffer Extent

Centroid (X,Y):
656473, 6014408

Projection
10-TM AEP Forest

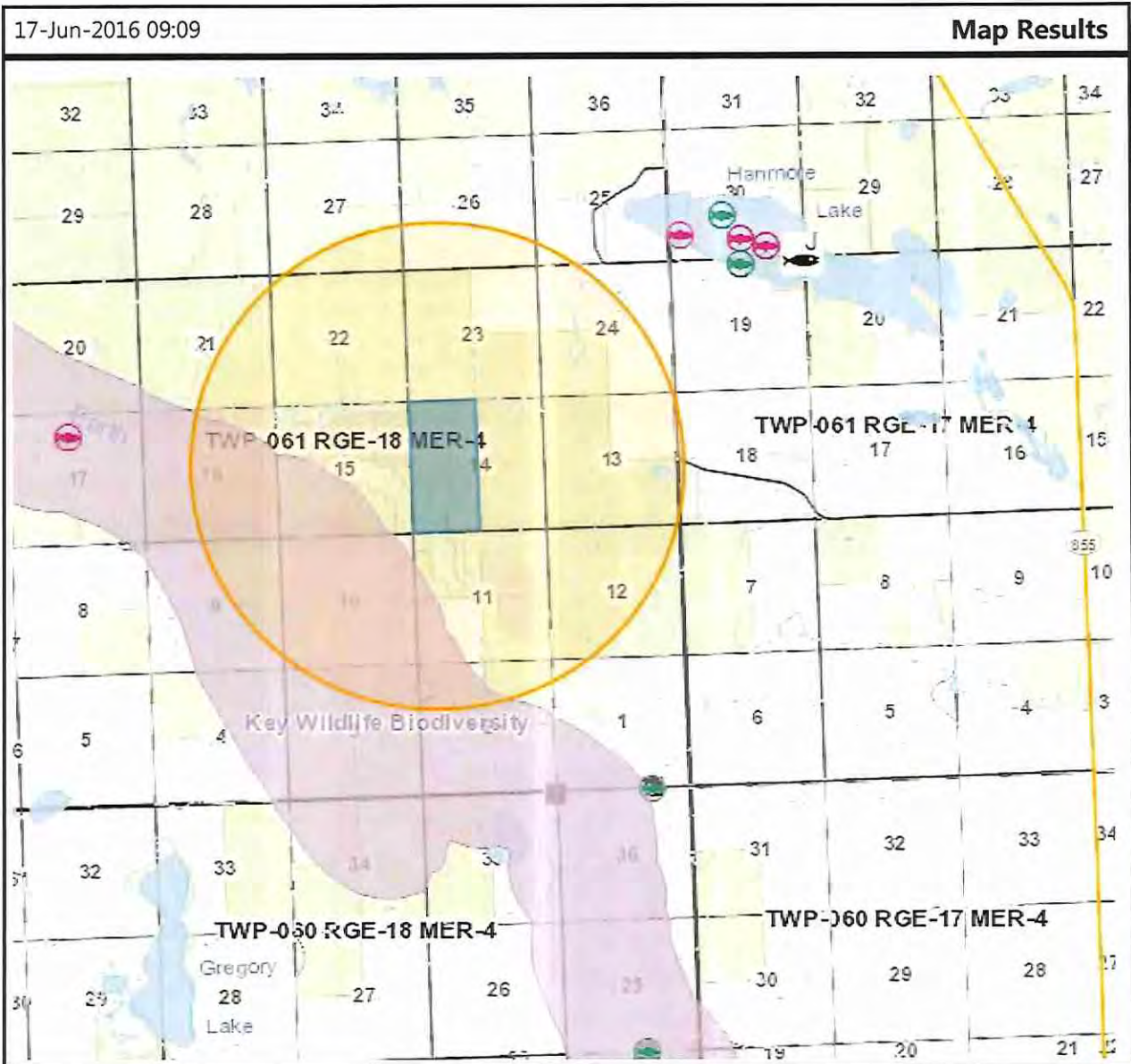
Centroid:
(Qtr Sec Twp Rng Mer)
NW 14 61 18 4

Buffer Radius:
3 kilometers

Contact Information

For contact information, please visit:

<http://aep.alberta.ca/about-us/contact-us/fisheries-wildlife-management-area-contacts.aspx>



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Fish and Wildlife Internet Mapping Tool (FWIMT)

(source database: Fish and Wildlife Management Information System (FWMIS))

Species Summary Report

Report Created: 21-Jun-2016 10:33

Species present within the current extent :

Fish Inventory

BROOK STICKLEBACK
LAKE CHUB
LAKE WHITEFISH
NORTHERN PIKE
SPOTTAIL SHINER
WHITE SUCKER
YELLOW PERCH

Wildlife Inventory

BOREAL TOAD
CANADA LYNX
COMMON YELLOWTHROAT
GREAT BLUE HERON
GREAT GRAY OWL
GREEN-WINGED TEAL
LEAST FLYCATCHER
LESSER SCAUP
SANDHILL CRANE
SEDGE WREN
SORA
WESTERN WOOD-PEWEE

Stocked Inventory

No Species Found in Search Extent

Buffer Extent

Centroid (X,Y):
656575, 6014386

Projection
10-TM AEP Forest

Centroid:
(Qtr Sec Twp Rng Mer)
SW 14 61 18 4

Buffer Radius:
5 kilometers

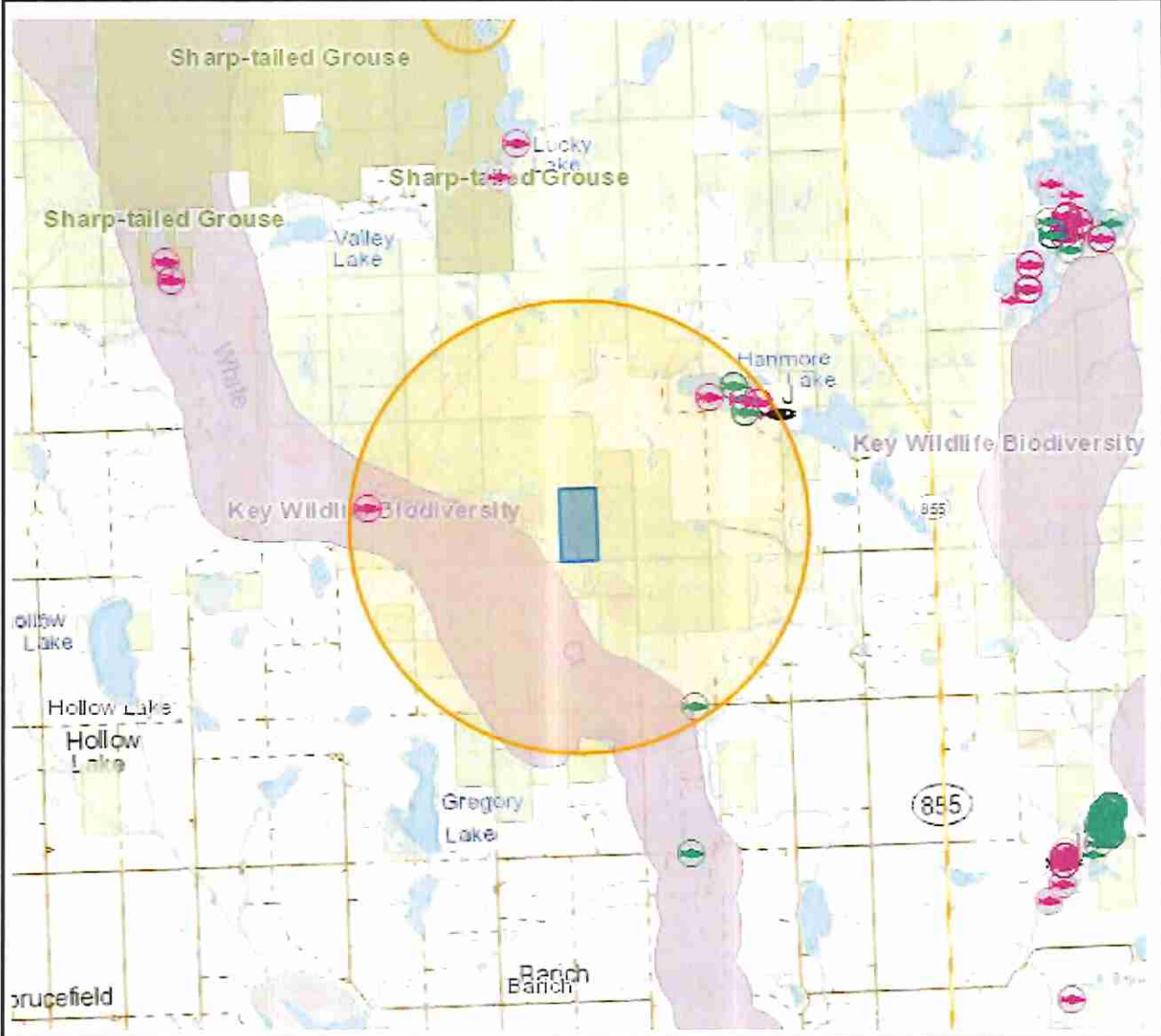
Contact Information

For contact information, please visit:

<http://aep.alberta.ca/about-us/contact-us/fisheries-wildlife-management-area-contacts.aspx>

21-Jun-2016 10:33

Map Results



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Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix D.3

AER Landscape Analysis Tool Report



Mineral Surface Lease (MSL)

Landscape Analysis Tool Report

00000411B4
Page 1 of 14

Time: 14:25 16 PM

LAT Number: 00000411B4

LAT Date: 2016-06-20

Project Name:

Project Description:

Disposition Type: Mineral Surface Lease (MSL)

Purpose Type: Wellsite-PNG Production (MW) (WELLPRODMW)

Responsibility of Applicants:

It is the applicant's responsibility to conduct a full review of the generated LAT Report, ensuring that you have a full understanding of the defined standards and conditions, and any limitations as may also be imposed by any other law or Order of the Province or the Government of Canada that may impact on the proposed use of the land.

The applicant must assess if the proposed activity can meet those standards, conditions and limitations which will subsequently determine if an EAP application will be submitted to the regulatory body as "Standard" or "Non-Standard". Applicants should complete a thorough review of EAP processes, IS&G documents and generated LAT Reports prior to making this determination.

- "Standard" EAP application submissions are those where the applicant chooses to meet all of the associated Approval Standards identified in the LAT Report submitted as part of the application and aligns those standards to the associated supplements and the application plan.
- "Non-Standard" EAP application submissions are those where the applicant chooses not to meet, or is not able to meet, one or more of the associated Approval Standards identified in the LAT Report submitted as part of the application, or the requirements of reservations as identified within the land status report. Non-Standard EAP application submissions require the inclusion of a completed Non-Standard Mitigation Supplement.

The information provided within the LAT Tool is a spatial representation of features provided for land use planning. The accuracy of these layers varies depending on the resource value being represented. Site visits, wildlife surveys and ground-truthing is required to ensure that you, the applicant will meet the applicable Pre-Application requirements, Approval Standards, Operating Conditions and Best Management Practices of the Integrated Standards and Guidelines.

Landscape Analysis Tool Report

Base Features	
Crown Ownership:	Provincial/Untitled
Green/White Area:	White Area
Municipality:	Smoky Lake County
Higher Level Plans:	
	FMU: LO1
	FMA:
	Provincial Grazing Reserve:
	Rocky Mountain Forest Reserve:
	PLUZ Areas:
Provincial Sanctuaries	
Wildlife Corridors:	Game Bird:
Restricted Area:	Seasonal:

Landscape Analysis Tool Report

Sensitive Features

Wildlife			
Burrowing Owl Range:	<input type="checkbox"/>	Other Sensitive and Endangered Species:	<input type="checkbox"/>
Caribou Range:	<input type="checkbox"/>	Piping Plover Waterbodies:	<input type="checkbox"/>
Colonial Nesting Birds:	<input type="checkbox"/>	Sensitive Amphibians Ranges:	<input type="checkbox"/>
Eastern Short-horned Lizard Range:	<input type="checkbox"/>	Sensitive Raptor Range:	<input type="checkbox"/>
Endangered and Threatened Plants Ranges:	<input type="checkbox"/>	Sensitive Snake Species Range:	<input type="checkbox"/>
Greater Sage Grouse Range:	<input type="checkbox"/>	Sharp-tailed Grouse Leks and Buffer:	<input type="checkbox"/>
Greater Sage Grouse Leks and Buffer:	<input type="checkbox"/>	Sharp-tailed Grouse Survey:	<input type="checkbox"/>
Grizzly Bear Zone:	<input type="checkbox"/>	Special Access Area:	<input type="checkbox"/>
Key Wildlife and Biodiversity Areas:	<input type="checkbox"/>	Swift Fox Range:	<input type="checkbox"/>
Mountain Goat and Sheep Areas:	<input type="checkbox"/>	Trumpeter Swan Waterbodies/Watercourse:	<input type="checkbox"/>
Ord's Kangaroo Rat Range:	<input type="checkbox"/>		

Water	
Proximity to Waterbody:	Industry will ensure that the Watercourse/Waterbodies standards and conditions as defined within the Integrated Standards and Guidelines are followed. To ensure these setbacks and buffers are addressed and maintained, it is recommended that a pre-site assessment occur.

Grassland and Parkland Natural Region:	
Grassland and/or Parkland Natural Region:	<input type="checkbox"/>

Federal Orders:	
Greater Sage Grouse:	<input type="checkbox"/>

Landscape Analysis Tool Report

<u>Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Meridian</u>	<u>Road Allow.</u>	<u>Sensitive Features by Quarter Section</u>
NE	14	61	18	4		
NW	14	61	18	4		
SE	14	61	18	4		
SW	14	61	18	4		

Landscape Analysis Tool Report



Legend

-  ATS Quarter Section
-  Perennial Stream
-  Indefinite Stream
-  Recurring Stream
-  Spillway
-  Aquaduct
-  Canal
-  Ditch
-  Perennial Oxbow
-  Recurring Oxbow
-  Canal
-  Dugout
-  Icefield
-  Islands
-  Lagoon
-  Perennial Lake
-  Recurring Lake
-  Perennial Oxbow
-  Recurring Oxbow
-  Quarry
-  Reservoir
-  River
-  Wetland



Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

APPENDIX E

- FNC Adequacy Assessment
- Historical Resources Act Clearance
- GRL Consent

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix E.1

FNC Adequacy Assessment

FNC ADEQUACY ASSESSMENT

FNC Number: Date of Submission:

Client Project Name:

Alberta Environment and Sustainable Resource Development has reviewed the consultation summary regarding the proposed projects provided by:

Based on our review, in accordance with *The Government of Alberta's First Nations Consultation Policy and Land Management and Resource Development - May 16, 2005 (the Policy)* and *Alberta's First Nations Consultation Guidelines on Resource Development and Land Management - November 14, 2007*, Alberta Environment and Sustainable Resource Development has determined an Adequacy Decision for each FNC Activity Number.

The proponent may proceed with disposition application for land activities deemed Adequate as identified within the following table.

Supporting Comments/Direction:

Be advised that this notice does not grant the client any authority to make application for any use of land not identified within this notification.

Reviewing Officer: Date of Review:

Should you have any questions, please contact the Reviewing Officer at:

Consultation contacts for each First Nation as identified below (name, mailing address, phone number) are available at <http://www.aboriginal.alberta.ca>

Personal information is collected in accordance with the Government of Alberta Aboriginal Consultation Policy and Section 33(c) of the Freedom of Information and Protection of Privacy Act. The personal information collected within this form will be used to administer the Aboriginal Consultation process. If you have any questions about the collection or use of this information, you can contact the Information Lead, Aboriginal Affairs Branch, Great West Life Building, Fourth Floor, 9920 - 108 Street, Edmonton, Alberta, Canada, T5K 2M4 at 780-644-8733.

FNC ADEQUACY ASSESSMENT

FNC Number:

Date of Submission:

Client Project Name:

Alberta Environment and Sustainable Resource Development has reviewed the consultation summary regarding the proposed projects provided by:

Based on our review, in accordance with *The Government of Alberta's First Nations Consultation Policy and Land Management and Resource Development - May 16, 2005 (the Policy)* and *Alberta's First Nations Consultation Guidelines on Resource Development and Land Management - November 14, 2007*, Alberta Environment and Sustainable Resource Development has determined an Adequacy Decision for each FNC Activity Number.

The proponent may proceed with disposition application for land activities deemed Adequate as identified within the following table.

Supporting Comments/Direction:

Be advised that this notice does not grant the client any authority to make application for any use of land not identified within this notification.

Reviewing Officer:

Date of Review:

Should you have any questions, please contact the Reviewing Officer at:

Consultation contacts for each First Nation as identified below (name, mailing address, phone number) are available at <http://www.aboriginal.alberta.ca>

Personal information is collected in accordance with the Government of Alberta Aboriginal Consultation Policy and Section 33(c) of the Freedom of Information and Protection of Privacy Act. The personal information collected within this form will be used to administer the Aboriginal Consultation process. If you have any questions about the collection or use of this information, you can contact the Information Lead, Aboriginal Affairs Branch, Great West Life Building, Fourth Floor, 9920 - 108 Street, Edmonton, Alberta, Canada, T5K 2M4 at 780-644-8733.

FNC - Adequacy Assessment

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
FNC201300557-001	SML	SAND AND GRAVEL Saddle Lake First Nation	10.53 HA Beaver Lake Cree Nation	Lac La Biche
	ATS Legal - From NW 14 61 18 4	ATS Legal - To NW 14 61 18 4	Whitfish (Goodfish) Lake First Nation	
		First Nation (s)		
			Action Required	Notification with Follow-up
			Adequacy	Adequate

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
	ATS Legal - From	ATS Legal - To		
		First Nation (s)		
			Action Required	
			Adequacy	

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
	ATS Legal - From	ATS Legal - To		
		First Nation (s)		
			Action Required	
			Adequacy	

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix E.2

Historical Resources Act Clearance



Application for *Historical Resources Act* Clearance

Activity Administration

Date Received: October 23, 2013

HRM File: 4650-13-0094

Purpose of Application: All New Lands Additional Lands No New Lands

Project Category: Aggregate Extraction (4650)

Project Type: Sand / Gravel Extraction Approximate Project Area (ha) 10.53 ha
 Other Reference Number SML120006

Project Identifier: SML120006 NW 14-61-18-W4M

Additional Identifier(s):

Key Contact: Mr. Vernon Torstensen	Affiliation: Tor Land Resource Inc.
Address: Suite 128, 11230-104 Ave NW	City / Province: Edmonton, AB
Postal Code: T5K 2X8	Phone: (780) 990-0012
E-mail: AggregateAB@torland.ca	Fax: (780) 990-0280
	Your File Number: SML120006

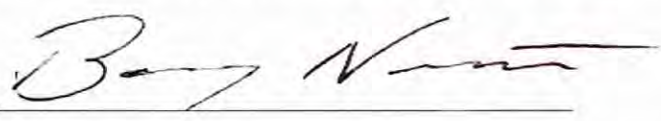
Is the Proponent the same as the Key Contact? Yes No If no, complete the following:

Proponent: Cathy Ball	Contact Name: Cathy Ball
Address: 133-53046 Range Road 222	City / Province: Ardrossan, AB
Postal Code: T8E 2E8	Phone: (780) 922-5337
E-mail: allb_mech@shaw.ca	Fax: (780) 922-5327

Proposed Development Area					Land Ownership			
MER	RGE	TWP	SEC	LSD List	FRH	SA	CU	CT
4	18	61	14	11,12	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Historical Resources Impact Assessment:			
<u>For archaeological resources:</u>			
Has a HRIA been conducted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Permit Number (if applicable):
<u>For palaeontological resource:</u>			
Has a HRIA been conducted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

Historical Resources Act clearance is granted subject to Section 31 of the Resources Act, "a person who discovers an historic resource in the course of making an excavation for a purpose other than for the purpose of seeking historic resources shall forthwith notify the minister of the discovery". The chance discovery of historical resources is to be reported to the contacts identified within the listing.


November 14, 2013
Date



Application for *Historical Resources Act* Clearance

Activity Administration

Date Received: October 23, 2013

HRM File: 4650-13-0095

Purpose of Application: All New Lands Additional Lands No New Lands

Project Category: Aggregate Extraction (4650)

Project Type:	<input checked="" type="checkbox"/> Sand / Gravel Extraction	ESRI Shapefiles are attached (yes/no)	NO
		Approximate Project Area (ha)	31.63 ha
		Other Reference Number	SML120005

Project Identifier: SML120005 W 1/2 14-61-18-W4M

Additional Identifier(s):

Key Contact: Mr. Vernon Torstensen	Affiliation: Tor Land Resource Inc.
Address: Suite 128, 11230-104 Ave NW	City / Province: Edmonton, AB
Postal Code: T5K 2X8	Phone: (780) 990-0012
E-mail: AggregateAB@torland.ca	Fax: (780) 990-0280
	Your File Number: SML120005

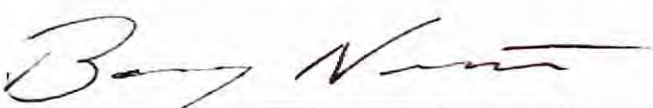
Is the Proponent the same as the Key Contact? Yes No If no, complete the following:

Proponent: Jordan Ball	Contact Name: Jordan Ball
Address: 133-53046 RANGE ROAD 222	City / Province: Ardrossan, AB
Postal Code: T8E 2E8	Phone: (780) 922-5337
E-mail: allb_mech@shaw.ca	Fax: (780) 922-5327

Proposed Development Area					Land Ownership			
MER	RGE	TWP	SEC	LSD List	FRH	SA	CU	CT
4	18	61	14	4,5,6,11,12	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Historical Resources Impact Assessment:		
<u>For archaeological resources:</u>		
Has a HRIA been conducted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Permit Number (if applicable):		
<u>For palaeontological resource:</u>		
Has a HRIA been conducted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Historical Resources Act clearance is granted subject to Section 31 of the Resources Act, "a person who discovers an historic resource in the course of making an excavation for a purpose other than for the purpose of seeking historic resources shall forthwith notify the minister of the discovery". The chance discovery of historical resources is to be reported to the contacts identified within the listing.



November 14, 2013
Date

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

Appendix E.3

GRL Consent

FNC - Adequacy Assessment

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
FNC201300671-001	SML	SAND AND GRAVEL	31.63 HA	Lac La Biche
	ATS Legal - From	Beaver Lake Cree Nation	Saddle Lake First Nation	Whitefish (Goodfish) Lake First Nation
	NW 14 61 18 4			
	ATS Legal - To			
	SW 14 61 18 4			
		First Nation (\$)		
			Notification with Follow-up	
			Action Required	
			Adequacy	Adequate

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
	ATS Legal - From			
	ATS Legal - To			
		First Nation (\$)		
			Action Required	
			Adequacy	

FNC Activity Number	Disp Type	Purpose Type	Activity Area/Distance	Land Use Area
	ATS Legal - From			
	ATS Legal - To			
		First Nation (\$)		
			Action Required	
			Adequacy	

Kevin Wawrynychuk
Box 458
Smokey Lake, Alta.
T0A 3C0
780-656-2263

March 13, 2012

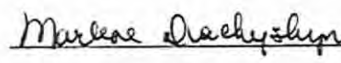
To Whom It May Concern: Alberta Sustainable Resource Development

Land Location: NE & NW 14-61-18-W4

Grant by GRL Lease Holder (GRL 40194)

The Grazing Lease Holder gives consent to remove
76.23 acres/ 30.85 hectares from GRL # 40194 for the sole purpose of
SML # 120006 for the sand and gravel extraction.


Kevin Wawrynychuk


Witness: MARLENE DIACHYSHYN

Date: MARCH 19, 2012

Date: MARCH 19, 2012

Note: The size of SML was subsequently was reduced later from 30.85 to 10.40 ha

Kevin Wawrynychuk
Box 458
Smokey Lake, Alta.
T0A 3C0
780-656-2263

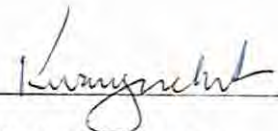
March 13, 2012

To Whom It May Concern: Alberta Sustainable Resource Development

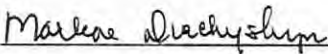
Land Location: NW & SW 14-61-18-W4

Grant by GRL Lease Holder (GRL 40194)

The Grazing Lease Holder gives consent to remove
 78.15 acres/ 31.63 hectares from GRL # 40194 for the sole purpose of
SML # 120005 for the sand and gravel extraction.



Kevin Wawrynychuk



Witness: MARLENE DIACHYSHYN

Date: MARCH 19, 2012

Date: MARCH 19, 2012

Conservation and Reclamation Business Plan
Applicant: Jordan Ball and Cathy Ball
Parts of NW and SW 14-061-18-W4M
SML 120005 and SML 120006

APPENDIX F

- DWG 1A: Existing Site/Planned Development with auger test holes
- DWG 1B: Existing Site/Planned Development with back-hoe test holes
- DWG 1C: Existing Site/Planned Development with airphoto
- DWG 2: Development Sequencing
- DWG 3A: Cross-section A-A' Profiles
- DWG 3B: Cross-section B-B' Profiles
- DWG 3C: Cross-section C-C' Profiles
- DWG 4: Planned Reclamation

**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

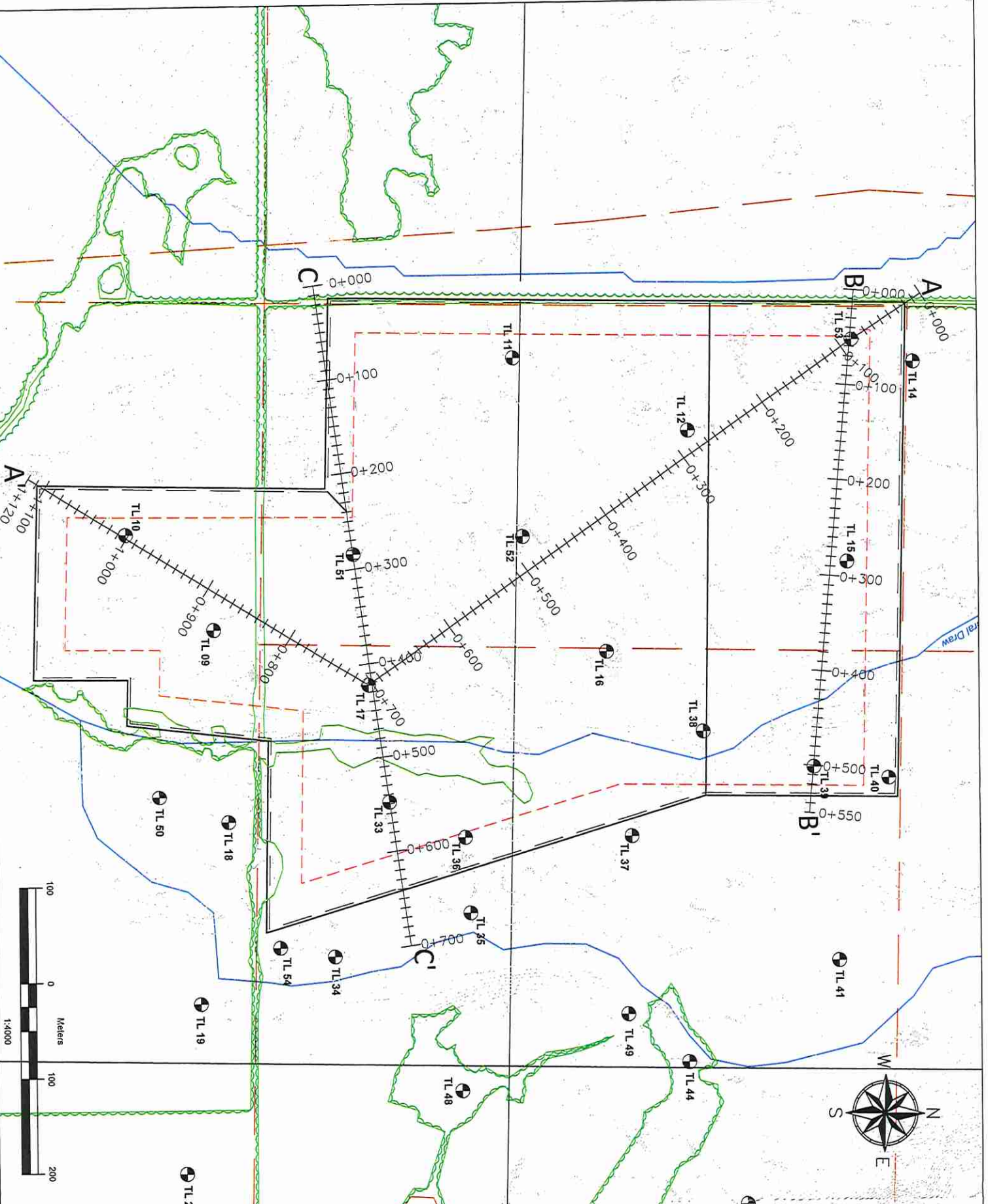
SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	RWY 14-051-18-W4M	10.40 ha (25.69 acres)	Cathy Ball
SML 120006	W14-051-18-W4M	31.51 ha (78.11 acres)	Jordan Ball

DWG 1A

- DRAWINGS**
- DWG 1A : Existing Site/Planned Development (Auger Test Holes)
 - DWG 1B : Existing Site/Planned Development (Back-hoe Test Holes)
 - DWG 1C : Existing Site/Planned Development (Airport)
 - DWG 2 : Development Sequencing
 - DWG 3A - 3C : Cross-section Profiles A-A', B-B', C-C'
 - DWG 4 : Planned Reclamation

Legend

- SML boundary
- Quarter section boundary
- Elevation contours (1m intervals)
- LIDAR (Nov. 2009)
- Cutlines and trails
- Dispositions
- Surface water features
- Setback to create slopes (avg. 28 m)
- 3 m undisturbed buffer
- Auger Test Holes (see DWG 1A)
- Back-hoe Test Holes (see DWG 1B)
- Treed area



Plan Design/Prepared by: TOR Land Resources Inc.
 Suite 128, 11230 - 104 Ave
 Edmonton, AB T5K 2X8
 Tel: (780) 990 - 0012
 Mob: (780) 914 - 9531
 Fax: (780) 990 - 0280

Drawn By: Shawn Palichuk
 Date: December, 2013

Revision No.	Revised By:	Date
1	Jameen Ogiyoza	07/22/2016

J. Ball and C. Ball [SML 120005 & SML 120006] - CRBP Update and S/R Response (Electronically Submitted to AEP on Sept. 14, 2016; Hardcopies to be Submitted Sept. 20, 2016)

**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

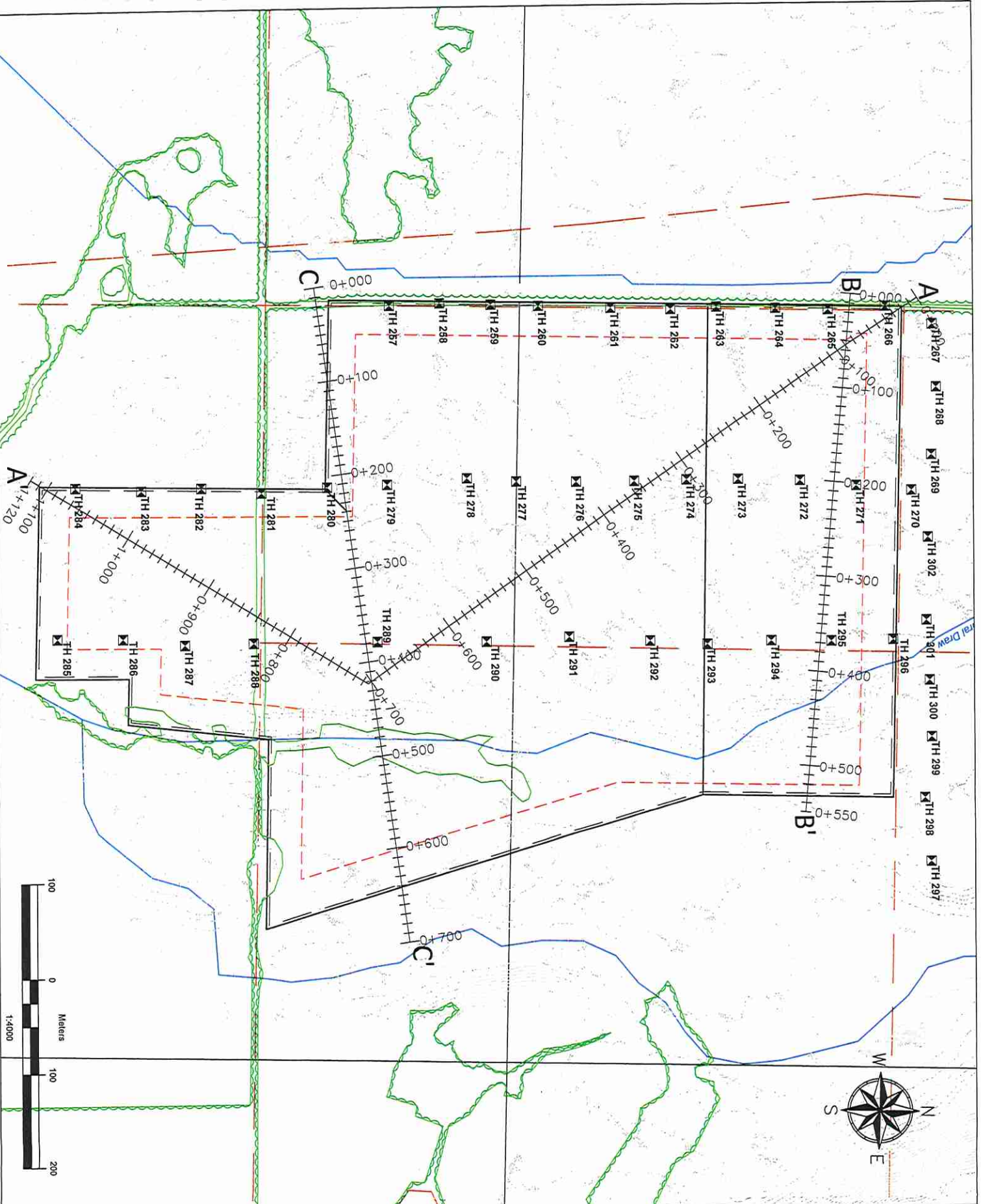
SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NV 14-051-18-W4M	10,401 ha (25.69 acres)	Cathy Bai
SML 120006	W 14-051-18-W4M	31.61 ha (78.11 acres)	Jordan Bai

DWG 1B

- DRAWINGS**
- DWG 1A: Existing Site/Planned Development (Auger Test Holes)
 - DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 - DWG 1C: Existing Site/Planned Development (Apron/hoe)
 - DWG 2: Development Sequencing
 - DWG 3A - 3C: Cross-section Profiles A-A', B-B', C-C'
 - DWG 4: Planned Reclamation

Legend

- SML boundary
- Quarter section boundary
- Elevation contours (1m intervals)
- LIDAR (Nov. 2009)
- Cullines and trails
- Dispositions
- Surface water features
- Setback to create slopes (avg. 28 m)
- 3 m undisturbed buffer
- Auger Test Holes (see DWG 1A)
- Back-hoe Test Holes (see DWG 1B)
- Treed area



Plan Design/Prepared by:		Drawn By: Shawn Pallachuk	
TOR Land Resources Inc. Suite 128, 11230 - 104 Ave Edmonton, AB T5K 2X8 Tel: (780) 990-0012 Mob: (780) 914-9531 Fax: (780) 990-0280		Date: December, 2013	
Revision No.	Revised By:	Date	
1	Janeen Ogloza	07/22/2016	

**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	HW 14-061-18-W4M	10.40 ha (25.69 acres)	Cathy Bail
SML 120006	W 14-061-18-W4M	3.16 ha (7.81 acres)	Jordan Bail

DWG 1C

- DRAWINGS**
- DWG 1A : Existing Site/Planned Development (Auger Test Holes)
 - DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 - DWG 1C: Existing Site/Planned Development (Auphoh)
 - DWG 2: Development Sequencing
 - DWG 3A - 3C: Cross-section Profiles A-A', B-B', C-C'
 - DWG 4: Planned Reclamation

Legend

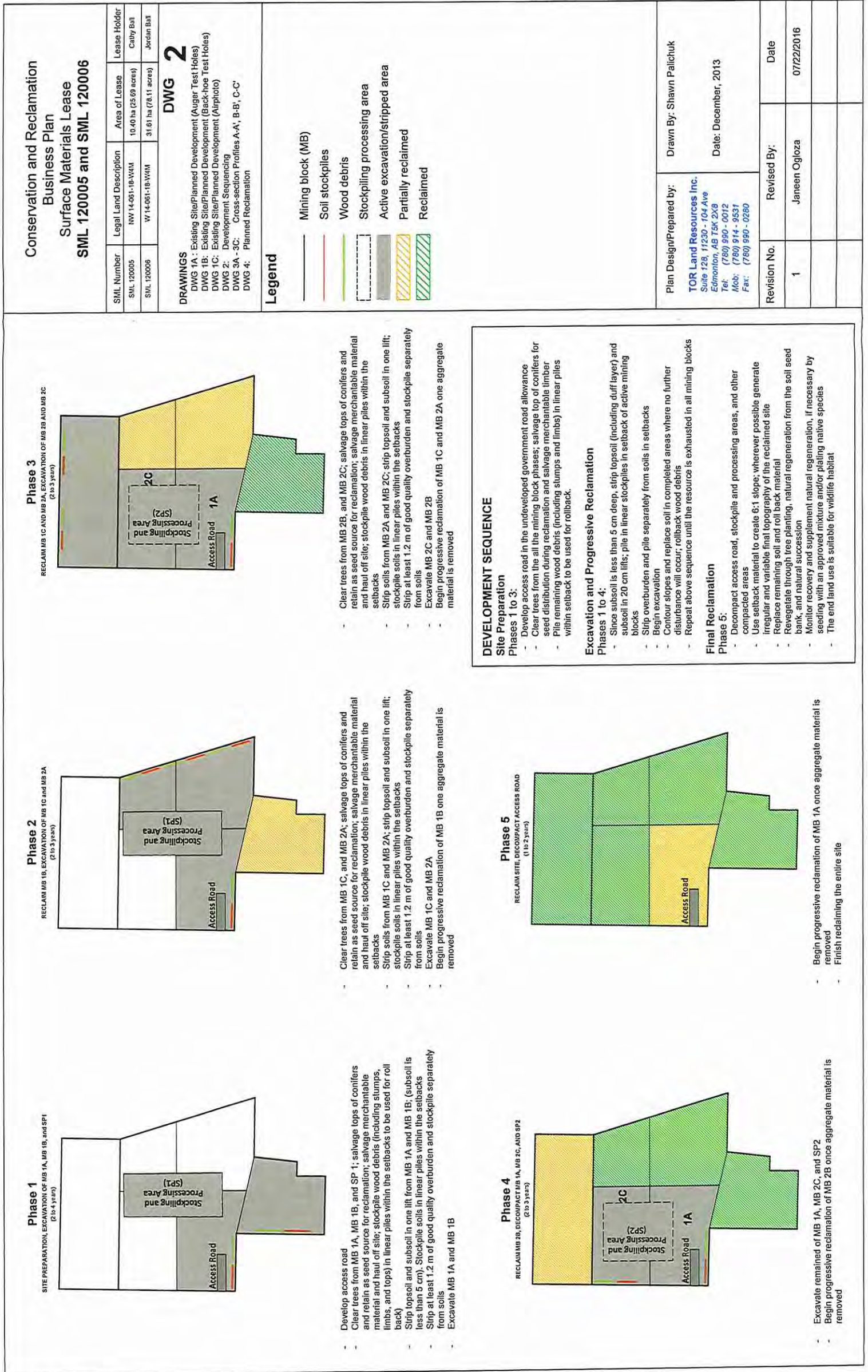
- SML boundary
- Quarter section boundary
- Elevation contours (1m intervals)
- LIDAR (Nov. 2009)
- Cullines and trails
- Dispositions
- Surface water features
- Setback to create slopes (avg. 28 m)
- 3 m undisturbed buffer
- TL 00
Auger Test Holes (see DWG 1A)
- TL 48
Back-hoe Test Holes (see DWG 1B)
- Treed area



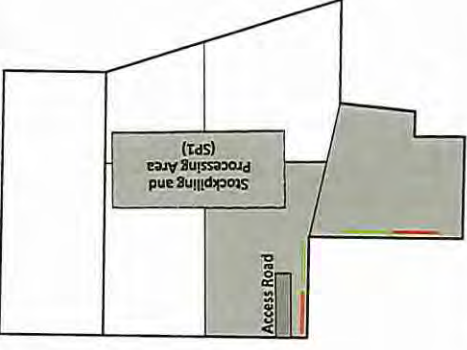
Plan Design/Prepared by: **TOR Land Resources Inc.**
 Suite 128, 11230 - 104 Ave
 Edmonton, AB T5K 2X8
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 Fax: (780) 990-0280

Drawn By: Shawn Palichuk
 Date: December, 2013

Revision No.	Revised By:	Date
1	Janeen Ogoza	07/22/2016

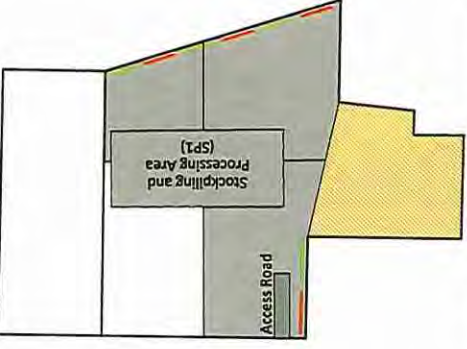


Phase 1
SITE PREPARATION, EXCAVATION OF MB 1A, MB 1B, AND SP1
(1 to 4 years)



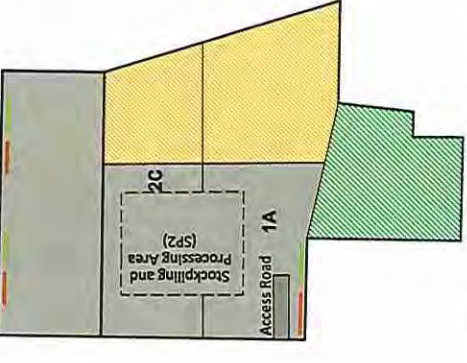
- Develop access road
- Clear trees from MB 1A, MB 1B, and SP 1; salvage tops of conifers and retain as seed source for reclamation; salvage merchantable material and haul off site; stockpile wood debris (including stumps, limbs, and tops) in linear piles within the setbacks to be used for roll back
- Strip topsoil and subsoil in one lift from MB 1A and MB 1B; (subsoil is less than 5 cm). Stockpile soils in linear piles within the setbacks
- Strip at least 1.2 m of good quality overburden and stockpile separately from soils
- Excavate MB 1A and MB 1B

Phase 2
RECLAIM MB 1B, EXCAVATION OF MB 1C AND MB 2A
(1 to 3 years)



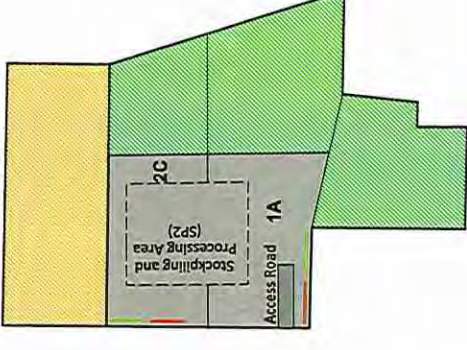
- Clear trees from MB 1C, and MB 2A; salvage tops of conifers and retain as seed source for reclamation; salvage merchantable material and haul off site; stockpile wood debris in linear piles within the setbacks
- Strip soils from MB 1C and MB 2A; strip topsoil and subsoil in one lift; stockpile soils in linear piles within the setbacks
- Strip at least 1.2 m of good quality overburden and stockpile separately from soils
- Excavate MB 1C and MB 2A
- Begin progressive reclamation of MB 1B once aggregate material is removed

Phase 3
RECLAIM MB 1C AND MB 2A, EXCAVATION OF MB 2B AND MB 2C
(2 to 3 years)



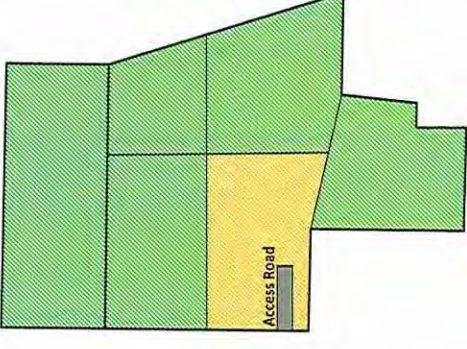
- Clear trees from MB 2B, and MB 2C; salvage tops of conifers and retain as seed source for reclamation; salvage merchantable material and haul off site; stockpile wood debris in linear piles within the setbacks
- Strip soils from MB 2A and MB 2C; strip topsoil and subsoil in one lift; stockpile soils in linear piles within the setbacks
- Strip at least 1.2 m of good quality overburden and stockpile separately from soils
- Excavate MB 2C and MB 2B
- Begin progressive reclamation of MB 1C and MB 2A once aggregate material is removed

Phase 4
RECLAIM MB 2B, DECOMPACT MB 1A, MB 2C, AND SP2
(2 to 3 years)



- Excavate remaining of MB 1A, MB 2C, and SP2
- Begin progressive reclamation of MB 2B once aggregate material is removed

Phase 5
RECLAIM SITE, DECOMPACT ACCESS ROAD
(1 to 2 years)



- Begin progressive reclamation of MB 1A once aggregate material is removed
- Finish reclaiming the entire site

DEVELOPMENT SEQUENCE
Site Preparation
Phases 1 to 3:

- Develop access road in the undeveloped government road allowance
- Clear trees from all the mining block phases; salvage top of conifers for seed distribution during reclamation and salvage merchantable timber
- Pile remaining wood debris (including stumps and limbs) in linear piles within setback to be used for rollback.

Excavation and Progressive Reclamation
Phases 1 to 4:

- Since subsoil is less than 5 cm deep, strip topsoil (including duff layer) and subsoil in 20 cm lifts; pile in linear stockpiles in setback of active mining blocks
- Strip overburden and pile separately from soils in setbacks
- Begin excavation
- Contour slopes and replace soil in completed areas where no further disturbance will occur; rollback wood debris
- Repeat above sequence until the resource is exhausted in all mining blocks

Final Reclamation
Phase 5:

- Decompact access road, stockpile and processing areas, and other compacted areas
- Use setback material to create 6:1 slope; wherever possible generate irregular and variable final topography of the reclaimed site
- Replace remaining soil and roll back material
- Revegetate through tree planting, natural regeneration from the soil seed bank, and natural succession
- Monitor recovery and supplement natural regeneration, if necessary by seeding with an approved mixture and/or planting native species
- The end land use is suitable for wildlife habitat

Conservation and Reclamation Business Plan
Surface Materials Lease
SML 120005 and SML 120006

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NW 14-051-18-W4M	10.40 ha (25.69 acres)	Cathy Ball
SML 120006	W 14-051-18-W4M	31.61 ha (78.11 acres)	Jordan Ball

DWG 2

- DRAWINGS**
- DWG 1A : Existing Site/Planned Development (Auger Test Holes)
 - DWG 1B : Existing Site/Planned Development (Back-hoe Test Holes)
 - DWG 1C : Existing Site/Planned Development (Airphoto)
 - DWG 2 : Development Sequencing
 - DWG 3A - 3C : Cross-section Profiles A-A', B-B', C-C'
 - DWG 4 : Planned Reclamation

Legend

- Mining block (MB)
- Soil stockpiles
- Wood debris
- Stockpiling processing area
- Active excavation/stripped area
- Partially reclaimed
- Reclaimed

Plan Design/Prepared by:
TOR Land Resources Inc.
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Edmonton, AB T5K 2X8
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Fax: (780) 990 - 0280

Drawn By: Shawn Paichuk

Date: December, 2013

Revision No.	Revised By:	Date
1	Janeen Ogloza	07/22/2016

**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NW 14-061-18-W4M	10.40 ha (25.69 acres)	Cathy Ball
SML 120006	W 14-061-18-W4M	31.61 ha (78.11 acres)	Jordan Ball

DWG 3A

DRAWINGS
 DWG 1A: Existing Site/Planned Development (Auger Test Holes)
 DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 DWG 1C: Existing Site/Planned Development (Airphoto)
 DWG 2: Development Sequencing
 DWG 3A-3C: Cross-section Profiles A-A', B-B', C-C'
 DWG 4: Planned Reclamation

Plan Design/Prepared by: Drawn By: Shawn Palichuk

TOR Land Resources Inc.
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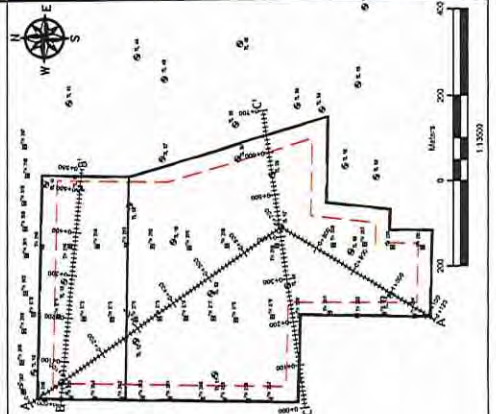
Date: December, 2013

Revision No. 1 Revised By: Jareen Ogloza Date: 07/22/2016

Legend

- Un disturbed land surface
- Original land surface
- Replaced topsoil
- Material layers
- Reclamation material
- Topsoil
- Overburden
- Clay
- Gravel
- Sand
- Replaced seaback material
- Test holes

Key Plan



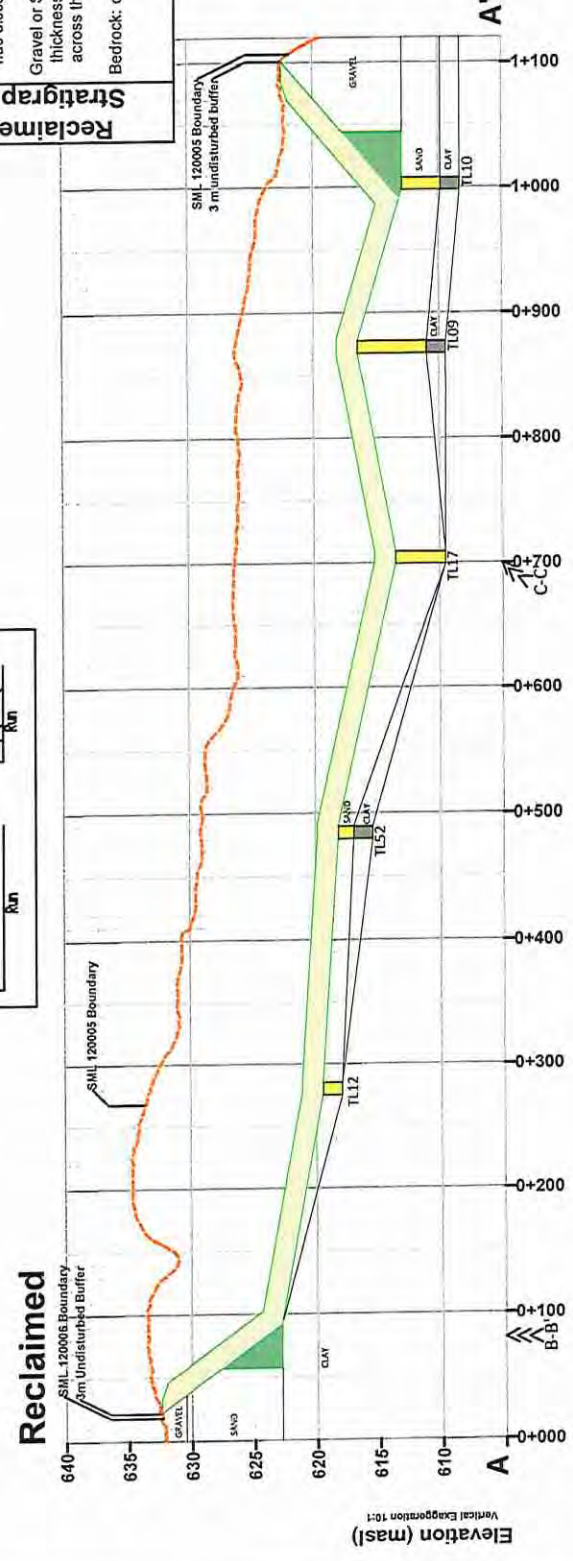
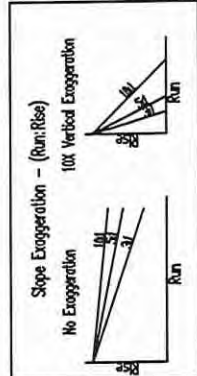
Existing Stratigraphy

Topsoil: 0.10 - 0.15 m (sand)
 Subsoil: 0 - 0.5 m
 Overburden: 0 - 3.6 m (avg 1.5 m) has discontinuous sand bodies
 Gravel: 0.6 - 12.8 m (avg 6.6 m) lenses and layers of sand ranging from 0.6 - 5.4 m thickness (avg 2.7 m) may occur between mineable gravel units.
 Bedrock: clay below



Reclaimed Stratigraphy

Topsoil/Subsoil: 0.15 - 0.18 m
 Replaced Overburden: 1.5 m has discontinuous sand bodies
 Gravel or Sand: presence and thickness of these materials varies across the site.
 Bedrock: clay below



Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NW 14-061-18-VMM	10.40 ha (25.69 acres)	Cathy Ball
SML 120006	W 14-061-18-VMM	31.61 ha (78.11 acres)	Jordan Ball

DWG 3B
DRAWINGS
 DWG 1A: Existing Site/Planned Development (Auger Test Holes)
 DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 DWG 1C: Existing Site/Planned Development (Alphalo)
 DWG 2: Development Sequencing
 DWG 3A-3C: Cross-section Profiles A-A', B-B', C-C'
 DWG 4: Planned Reclamation

Plan Design/Prepared by:
TOR Land Resources Inc.
 Suite 128, 11230 - 104 Ave
 Edmonton, AB T5K 2X8
 Tel: (780) 990-0012
 Mob: (780) 914-9531
 Fax: (780) 990-0280

Date: December, 2013

Drawn By: Shawn Paichuk

Revision No. 1

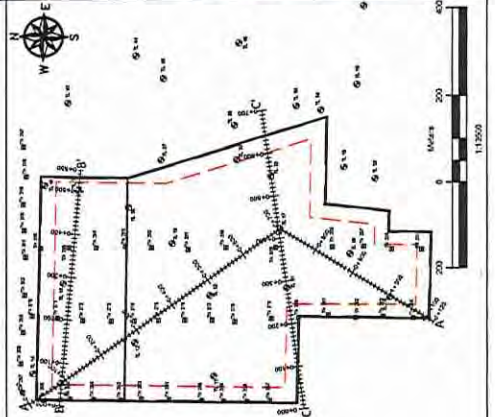
Revised By: Janeen Ogloza

Date: 07/22/2016

Legend

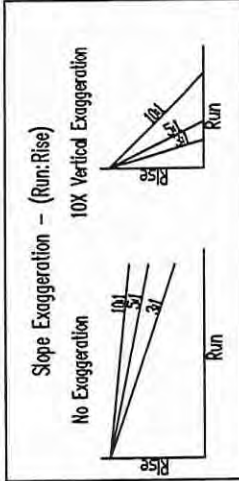
- Undisturbed land surface
- Original land surface
- Replaced topsoil
- Material layers
- Topsoil
- Overburden
- Clay
- Gravel
- Sand
- Reclamation material
- Replaced setback material
- Test holes

Key Plan



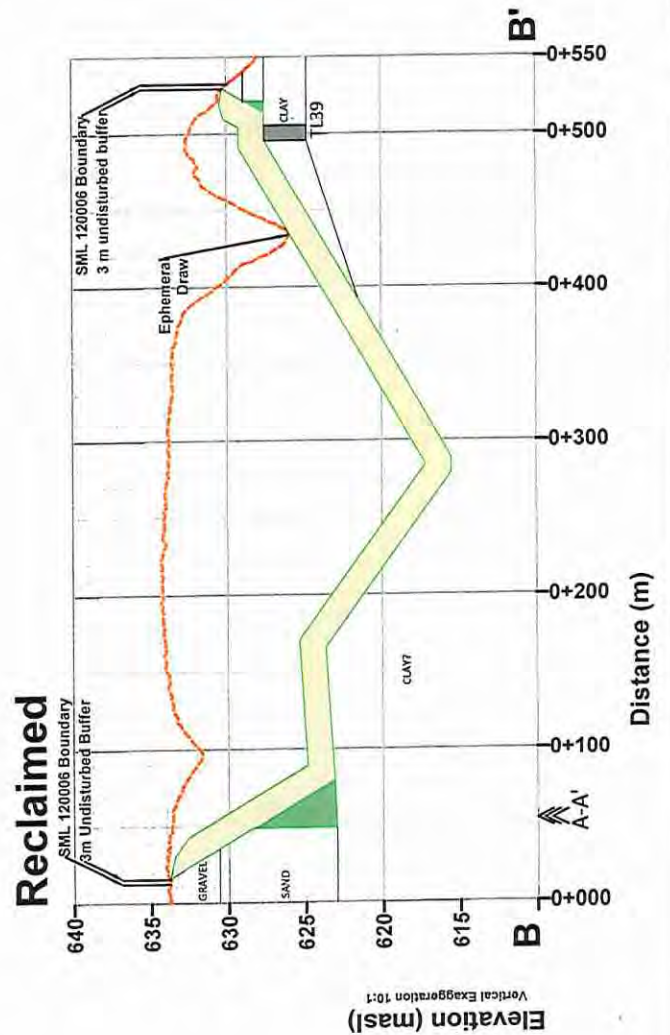
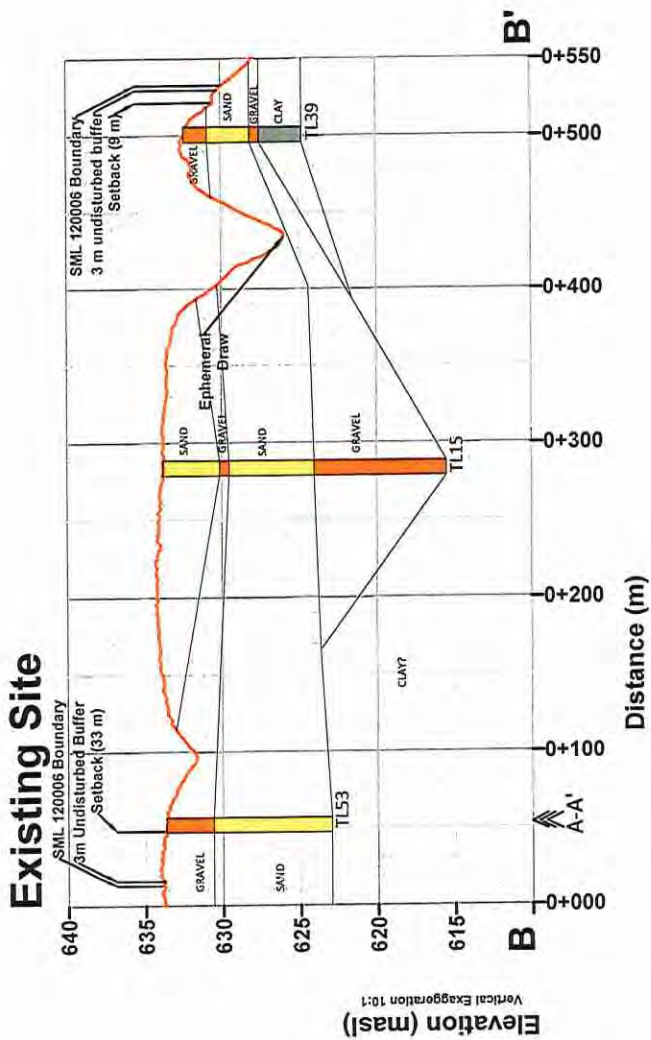
Existing Stratigraphy

Topsoil: 0.10 - 0.15 m (sand)
 Subsoil: 0 - 0.5 m
 Overburden: 0 - 3.6 m (avg 1.5 m) has discontinuous sand bodies
 Gravel: 0.6 - 12.8 m (avg 6.6 m) lenses and layers of sand ranging from 0.6 - 5.4 m thickness (avg 2.7 m) may occur between mineable gravel units.
 Bedrock: clay below



Reclaimed Stratigraphy

Topsoil/Subsoil: 0.15 - 0.18 m
 Replaced Overburden: 1.5 m has discontinuous sand bodies
 Gravel or Sand: presence and thickness of these materials varies across the site.
 Bedrock: clay below



**Conservation and Reclamation
Business Plan
Surface Materials Lease
SML 120005 and SML 120006**

SML Number	Legal Land Description	Area of Lease	Lease Holder
SML 120005	NW 14-061-16-1W4M	10.40 ha (25.89 acres)	Cathy Ball
SML 120006	W 14-061-16-1W4M	31.81 ha (78.11 acres)	Jordan Ball

DWG 3C

DRAWINGS
 DWG 1A: Existing Site/Planned Development (Auger Test Holes)
 DWG 1B: Existing Site/Planned Development (Back-hoe Test Holes)
 DWG 1C: Existing Site/Planned Development (Airphoto)
 DWG 2: Development Sequencing
 DWG 3A - 3C: Cross-section Profiles A-A', B-B', C-C'
 DWG 4: Planned Reclamation

Plan Design/Prepared by:
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Revision No.	Revised By:	Date
1	Janeen Ogloza	07/22/2016

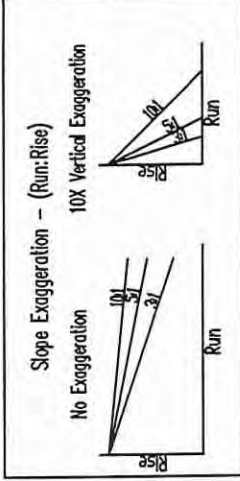
Legend

- Undisturbed land surface
- Original land surface
- Replaced topsoil
- Material layers
- Topsoil
- Overburden
- Clay
- Gravel
- Sand
- Reclamation material
- Replaced setback material
- Test holes

Key Plan

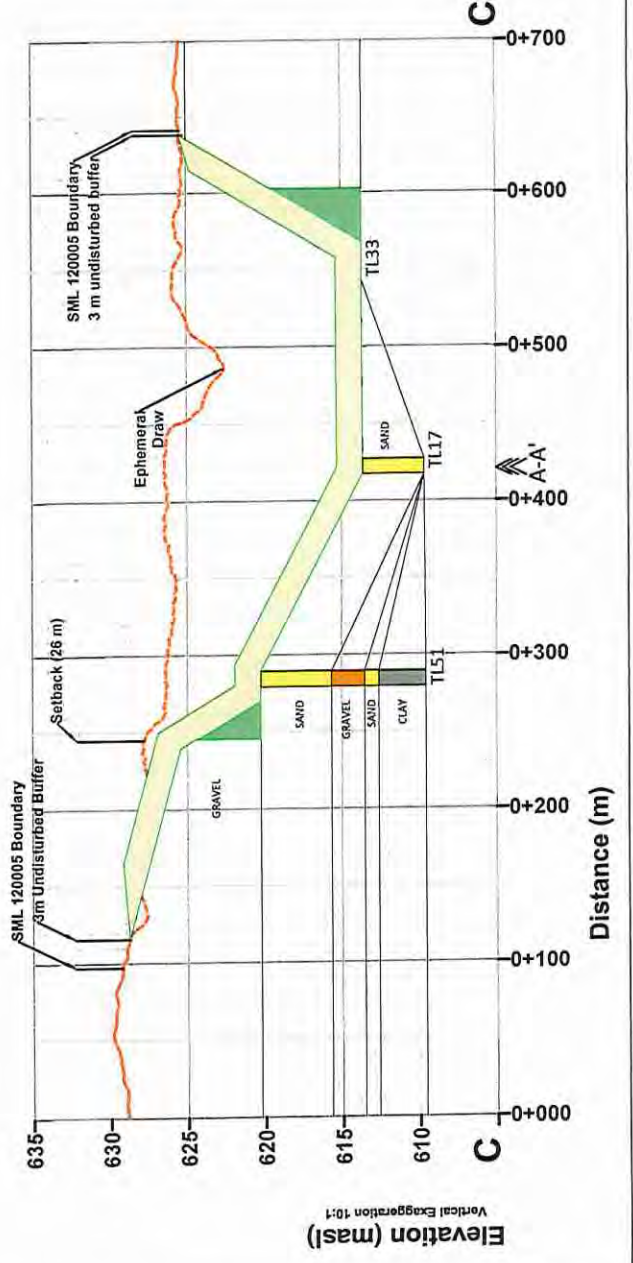
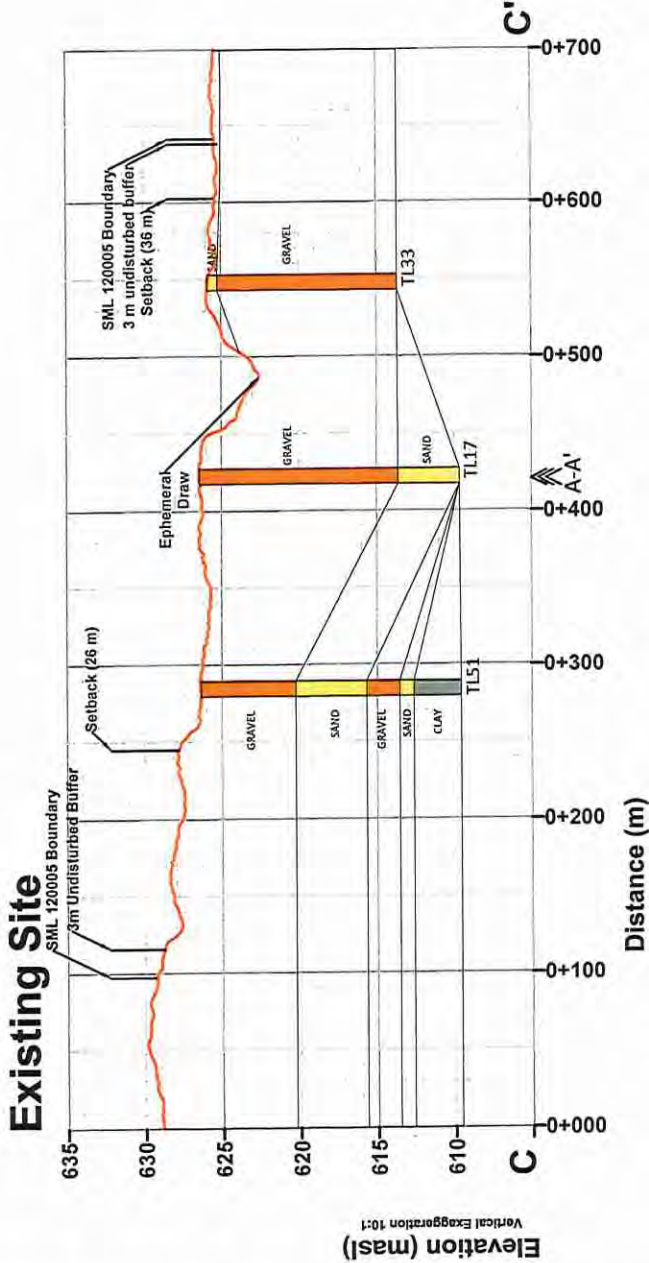
Existing Stratigraphy

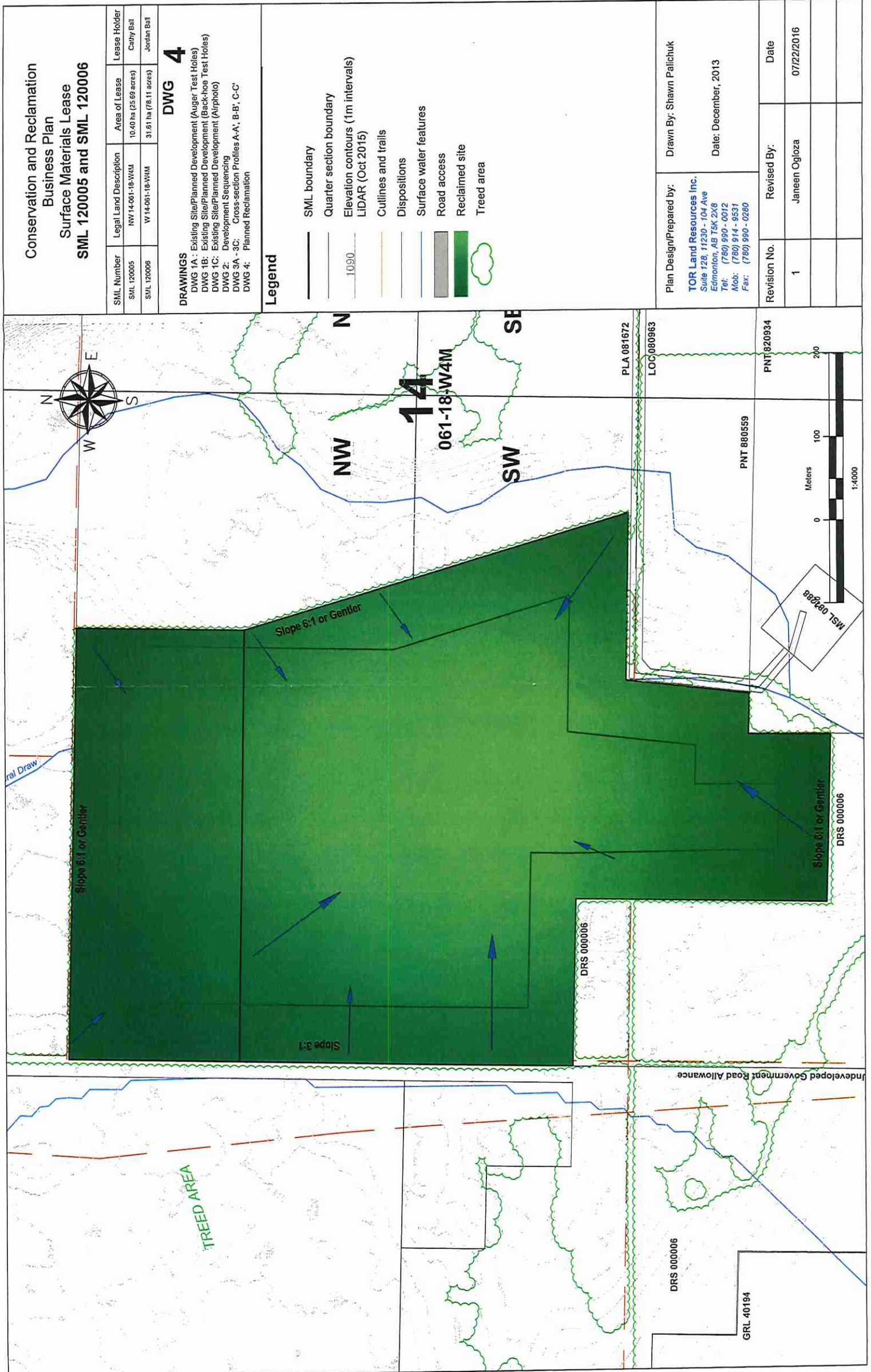
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Subsoil: 0 - 0.5 m
Overburden: 0 - 3.6 m (avg 1.5 m)
 has discontinuous sand bodies
Gravel: 0.6 - 12.8 m (avg 6.6 m)
 lenses and layers of sand ranging from
 0.6 - 5.4 m thickness (avg 2.7 m) may
 occur between mineable gravel units.
Bedrock: clay below



Reclaimed Stratigraphy

Topsoil/Subsoil: 0.15 - 0.18 m
Replaced Overburden: 1.5 m
 has discontinuous sand bodies
Gravel or Sand: presence and
 thickness of these materials varies
 across the site.
Bedrock: clay below





ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING RSA 2000, c. E-12

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-17

Mantle Materials Group, Ltd., previously JMB Crushing Systems Inc.
P.O. Box 6977
Bonnyville, AB T9N 2H4

Byron Levkulich, Director
JMB Crushing Systems Inc. and Mantle Materials Group, Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc. and Mantle Materials Group, Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

(Collectively hereafter referred to as the “Parties”)

WHEREAS JMB Crushing Systems Inc. (“JMB”) has operated a gravel pit (the “Pit”) on a portion of public land legally described as SE-11-061-18-W4M (the “Lands”) in the County of Smoky Lake, in the Province of Alberta;

WHEREAS on May 1, 2021, as part of the restructuring of JMB and 2161889 Alberta Ltd. (“216”) under the *Companies Creditors Arrangement Act*, JMB, 216 and Mantle Materials Group, Ltd. amalgamated and continued as Mantle Materials Group Ltd. (“Mantle”);

WHEREAS Byron Levkulich and Aaron Patsch are former Directors of JMB and 216, and are current Directors of Mantle;

WHEREAS the Pit is approximately 11.99 Hectares in area. Appendix “A” to this Order contains a map showing the dimensions, location, and features of the Pit;

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

WHEREAS a “lease” is defined in the *Public Lands Administrative Regulations* (the “Regulation”) to mean a surface material lease;

- 2 -

WHEREAS the Lands are contained in surface material lease 110026 (“SML 110026”) that is a disposition that was originally issued to Bill Phillips under the *Public Lands Act* on April 11, 2012. SML 110026 expired on April 10, 2022.;

WHEREAS on October 15, 2015, SML 110026 was assigned from Bill Phillips to 541466 Alberta Ltd.;

WHEREAS on December 21, 2018, SML 110026 was assigned from 541466 Alberta Ltd. to 2161889 Alberta Ltd.;

WHEREAS Mantle is the current holder of SML 110026, as a result of the amalgamation of JMB, 216, and Mantle, in accordance with the *Regulation* for the Lands for the purpose of removing material by surface excavation;

WHEREAS “surface material” is defined in the *Regulation* to mean clay, marl, sand, gravel, topsoil, silt and peat;

WHEREAS on February 11, 2013, Alberta Environment and Protected Areas (“AEPA”) approved the Conservation and Reclamation Business Plan (the “CORP”) for SML 110026 (See Appendix B);

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

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

WHEREAS Clause 13 of SML 110026 Agreement requires the operator to reclaim the surface of the land in a manner satisfactory to the Department;

WHEREAS Clause 18 of the Schedule A – Operating Conditions to SML 110026 states that the operator is to reclaim all disturbed land surfaces within two growing seasons. Interim reclamation, including site and debris clean-up, slope stabilization, recontouring with subsoil, and spreading of topsoil shall be done progressively and concurrently with operations “(Operating Condition)”;

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

WHEREAS on April 10, 2022, the lease agreement for SML 110026 expired;

WHEREAS on July 14, 2023, Mantle commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*;

WHEREAS on September 8, 2023, Alberta Forestry and Parks (“FP”) advised Mantle that 66% of the Pit had been reclaimed to date. FP also asked Mantle when reclamation would be completed and when a Reclamation Certificate application would be submitted to FP;

- 3 -

WHEREAS on September 15, 2023, Mantle responded to FP that it was “looking to transfer the pit registration”. Mantle did not respond to FP’s direct questions about completing reclamation at the Pit or applying for a reclamation certificate. Further, Mantle was silent on any interim reclamation that had been completed at the Pit;

WHEREAS on September 19, 2023, FP requested assistance from AEPA to enforce outstanding reclamation obligations on five pits on public land for which Mantle is the disposition holder including the Pit;

WHEREAS on September 22, 2023, AEPA conducted a site inspection of SML 110026 and observed the following:

- stockpiles of marketable and reject aggregate material;
- slopes within the excavations appeared to be approximately between 1:1 and 1:4 which does not align with Section 10.1 Sloping of the CORP that requires slopes to be contoured at 3:1 or less steep;
- the processing areas and internal haul roads were not decompacted as required by the CORP, Section 10.2 Decompaction and Soil Placement;
- no efforts had been made towards progressive reclamation;
- natural revegetation encroaching in both excavation areas and the Lands that had not been disturbed for aggregate mining purposes;

WHEREAS Heather Dent, Compliance Manager, Regulatory Assurance Division, Boreal East District (the “Inspector”) has been designated as an Inspector for the purposes of issuing Environmental Protection Orders under section 140 of the Act;

WHEREAS the Inspector is of the opinion that Mantle’s financial resources, lack of interim reclamation or any stated intention related to its regulatory obligation to reclaim and conserve the Pit warrants enforcement of its obligations given that Mantle is the successor corporation of JMB and 216 that were restructured in 2021 and more recently in 2023, Mantle commenced restructuring proceedings; and

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

THEREFORE, I Heather Dent, Inspector, pursuant to section 140 of the *Act*, DO HEREBY ORDER:

1. Mantle shall complete the following actions at the Lands on or before **November 24, 2023**:
 - a. place overburden materials within the Pit to a minimum thickness of 1.5 m and create the base for the subsoil and topsoil placement by contouring the Pit with reject material and other soil materials available for reclamation;
 - b. establish grade and contour across the Pit so that:

- 4 -

- i. slopes will be contoured to 3:1 or less steep, or to conform with existing topography, as described in Section 10.0 Planned Reclamation of the CORP,
 - ii. side slopes are no steeper than 3:1 as required by the CORP (see Appendix B), Drawings – Dwg. No. 6,
 - iii. the 5 m buffer between the Lands and pipeline right of way contained in pipeline agreement PLA 910056, as described in Section 8.1 Buffers and Setbacks of the CORP (see Appendix B), is maintained;
 - iv. the 3 m undisturbed buffer along the Lands boundary, as described in Section 8.1 Buffers and Setbacks of the CORP (see Appendix B), is maintained;
 - v. the material along the common boundary between the Lands north boundary and the lands contained in SML 110025's south boundary is to have slopes no steeper than 6:1 as described in Section 8.1 Buffer and Setbacks of the CORP (see Appendix B), and;
 - vi. surface water drainage is to be directed to drain as shown in CORP (see Appendix B), Drawings – Dwg. No. 6;
 - c. rip the subsoil in the Pit to alleviate compaction;
 - d. place an average depth of 60 cm of subsoil over the Pit;
 - e. place an average depth of 15 cm of topsoil over Pit; and
 - f. roll back woody debris located on the surface of the Pit to provide surface roughness and a variety of microsites for plant establishment.
2. Mantle shall complete the following actions on or before **November 24, 2023**:
- a. revegetate the Pit with poplar planting and distribution of tops of conifer trees harvested from the site during site development in accordance with the most recent approved CORP.
3. Mantle shall complete the following actions on or before **November 24, 2023**:
- a. Monitor the Pit and take all necessary steps to:
 - i. prevent erosion on all slopes of the Pit,
 - ii. control weeds in accordance with *Weed Control Act*,
 - iii. ensure the revegetation required by clause 2 has established and is of acceptable density, height, and/or yield. Where needed, supplement

- 5 -

revegetation by seeding with an approved mixture and/or planting native species to achieve effective revegetation of the Lands.

4. Mantle must apply for a reclamation certificate as per Section 134 of the *Act* by **January 1, 2025**.

Mantle shall submit progress updates to the Inspector on **December 20, 2023**, **June 30, 2024**, and **January 1, 2025**, that include a detailed summary of all the reclamation activities including monitoring required in clause 1 to 3 inclusive in this order undertaken at the Pit.

DATED at the City of Edmonton in the Province of Alberta, this 18 day of October 2023.

Heather Dent, Inspector
Regulatory Assurance Division-North

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

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

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

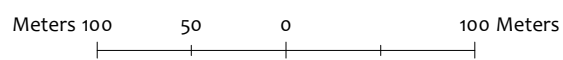
Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

APPENDIX A



Mantle Materials - Smoky Lake Pits
SML110026

Scale 1 : 4,000



Information as depicted is subject to change, therefore the Government of Alberta assumes no responsibility for discrepancies at time of use.
©2023 Government of Alberta
Service Layer Credits: Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community
Resolution: 0.5m
Accuracy: 5m
Imagery Date: 20220830
Source: Maxar

- Pipeline
- - - Cutline/Trail
- Two Lane Gravel Road
- Pit (11.99 ha)
- Dispositions



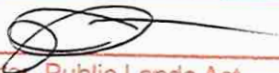
Coordinate System: NAD 1983 UTM Zone 12N
Produced by Northeast Geospatial Unit
Created by: rhonda.connors on 10/6/2023
Project # NE-0817_SML110026
Base Data provided by the Government of Alberta under the Alberta Open Government Licence.

APPENDIX B

CONSERVATION AND RECLAMATION
BUSINESS PLAN

Amendment
APPROVAL FOR

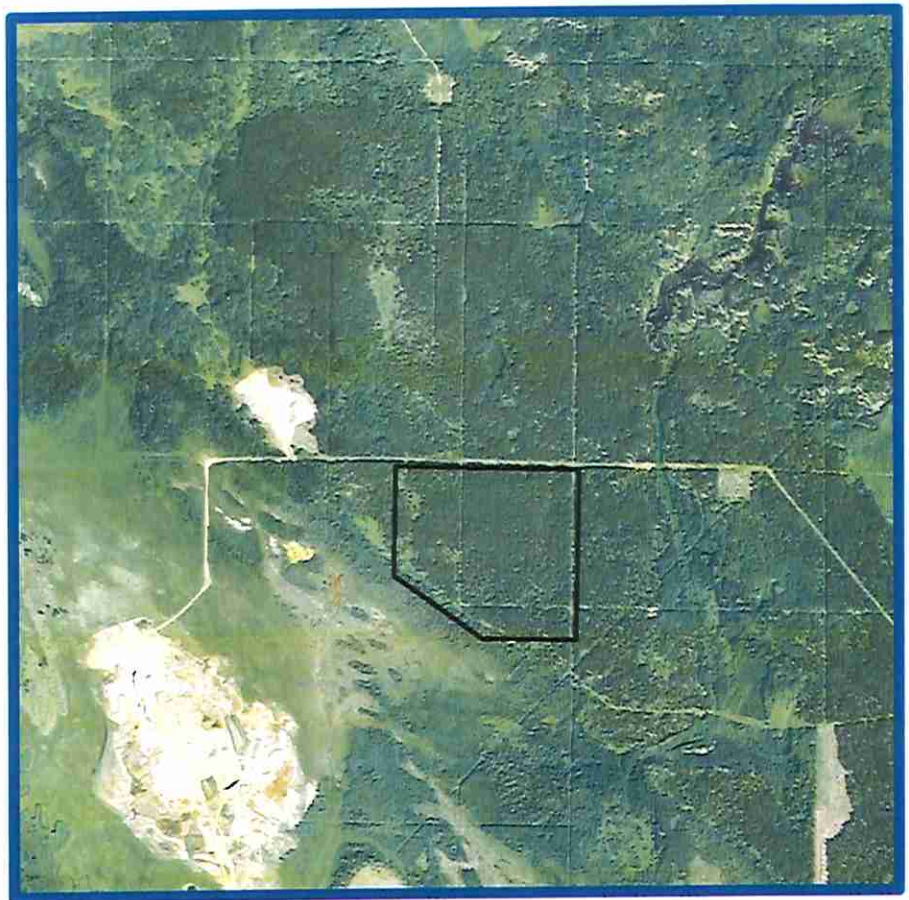
SURFACE MATERIAL LEASE NO
SML 110026

Conservation and Reclamation Business Plan
Plan Approved Date: FEB 11 / 13
CRB No. 120005

The Director, Public Lands Act

Conservation and Reclamation Business Plan

Surface Materials Lease

SML 110026



SML boundary over air photograph (Valtus Image, Aug. 6, 2008)

Sketches and illustrations are conceptual composites

Prepared for Bill Phillips by TORLAND INC.
July 2011 revised February 2012 & November 2012

Conservation and Reclamation Business Plan (July 2011, revised February 2012,
November 2012)
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

List of Revisions – November 2012

The Conservation and Reclamation Business Plan revised February 2012 has been amended so that the plan conforms to the new SML boundary as per the survey signed August 2, 2012:

- Cover
 - Replaced image – shows the new boundary
- Summary
 - End land use changed to wildlife habit, no grazing
- 1.1 Development Overview
 - End land use changed to wildlife habit, no grazing
- 3.1 Alberta Land Survey
 - Updated to include new survey plan
- 5.3 Depth and Volume of Deposit
 - Made minor changes to some unit thicknesses based on test holes within the new boundary
- 6.6 First Nations Consultations
 - Added new FNC number
- 7.4 Wildlife
 - End land use changed to wildlife habit for ungulates, no grazing
- 7.10 Stratigraphy
 - Made minor changes to some unit thicknesses based on test holes within the new boundary
- 8.2 site preparation
 - added text regarding salvage of woody debris and tops of conifers
- 10.1 Sloping
 - Changed sloping along west and southern boundaries to 6:1 and added undulations to reclaimed topography
- 10.3 Revegetation
 - Changed tree type to poplars
 - Added text regarding using tops of conifers for seed distribution during reclamation.
- 10.4 Reclaimed Surface Drainage
 - Changed sloping along west and southern boundaries to 6:1
- 11.0 Reclamation Security
 - Revised based on new boundary
- Appendices
 - Appendix E – added new survey plan
- Drawings
 - Dwg. 1 – changed SML area to match surveyed area

SML 110026 CRBP_Bill Phillips_ESRD Submission_November 2012

Conservation and Reclamation Business Plan (July 2011, revised February 2012,
November 2012)
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

- Dwg. 2 – changed SML area to match surveyed area, length of cross section AA’;
updated SML area to match surveyed area
- Dwg. 3 – updated SML area to match surveyed area; added text in the Final
Reclamation part noting that 6:1 sloped will be created wherever possible to
generate irregularity in topography.
- Dwg. 4A, 4B – updated SML area to match surveyed area; revised AA’,BB’ and CC’
cross sections
- Dwg. 5 – changed SML area to match surveyed area
- Dwg. 6 – changed SML area to match surveyed area

List of Revisions – February 2012

The Conservation and Reclamation Business Plan dated July 2011 has been revised to reflect subsequent communications with Sustainable Resource Development personnel and so that the plan conforms to the SML boundary as per the survey completed in January 2012:

- Summary
 - Revised to include tree salvaging
 - Revised to include tree planting
 - Revised to highlight migratory bird mitigation measures
- Table of Contents – List of Appendices
 - Revised to include Appendices D and E.
- 1.1 Development Overview
 - Revised gravel volume - based on a lower elimination rate and surveyed area
 - Revised mining period to 5 to 12 years
 - Revised to include planting trees as part of revegetation
- 3.1 Alberta Land Survey
 - Updated to include survey plan
- 4.1 Transportation Plan/Haul Route
 - Deleted “may change”
- 5.1 Site Assessment Methodology
 - Added testing dates in February 2012
- 5.2 Testing
 - Added new auger and excavator testing
- 5.3 Depth and Volume of Deposit
 - Identified small volume change if road allowance is mined.
 - Revised gravel volume - based on a lower elimination rate and surveyed area
- 6.2 Migratory Birds
 - Increased the detail about how migratory birds will be protected
- 6.6 First Nations Consultations

Conservation and Reclamation Business Plan (July 2011, revised February 2012,
November 2012)
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

- Provided First Nations' full names
- 6.7 Other Interest Holders
 - Identified Alberta Transportation as an interest holder
- 7.2 Vegetation
 - Revised tree type to pine
 - Added details about tree salvage by a third party
- 7.4 Wildlife
 - Added tree planting during reclamation
 - Added note about migratory birds
- 7.5 Soils
 - Revised soil and subsoil depths
- 7.7 Surface Drainage
 - Added detail to mitigation measures to keep surface drainage on the site
- 8.1 Buffers and Setbacks
 - Clarified setback is optional
 - Noted that mining the road allowance will affect setbacks and buffers
- 8.2 Site Preparation
 - Changed tree clearing to one phase
 - Added tree salvage by a third party
 - Removed "in consultation with the Forest Officer"
 - Revised to include separate stripping of topsoil and subsoil
- 8.3 Mining Sequence / Additional Development Opportunities
 - Added mining through the road allowance
- 9.2 Weed Control
 - Removed "in consultation with the Forest Officer"
- 9.4 Wind and Water Erosion
 - Added contouring and seeding of soil stockpiles
 - Added silt fences
- 9.5 Waste and Hazardous Materials
 - Added reference to secondary containment for above ground storage tanks
- 9.6 Fire Protection
 - Removed "with the advice of the Forest Officer"
- 10.2 Decompaction and Soil Placement
 - Revised replacement depths for subsoil and topsoil
- 10.3 Revegetation
 - Added tree planting
 - Added monitoring for vegetation recovery, and seeding guidelines
- 11.0 Reclamation Security
 - Revised to match survey plan area and clearing in 1 phase only
- References

Conservation and Reclamation Business Plan (July 2011, revised February 2012,
November 2012)
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

- Added 18 and 19
- Appendices
 - Appendix B – added February 2012 test logs
 - Appendix C – revised header information
 - Added Appendix E – survey plan
- Drawings
 - Dwg. 1 – changed SML area to match surveyed area
 - Dwg. 2 – added pies showing gravel and sand; updated SML area to match surveyed area; added February 2012 test locations
 - Dwg. 3 – updated SML area to match surveyed area; updated to include subsoil salvage and replacement, woody debris and tops of conifers salvage; changed all tree clearing to Phase 1
 - Dwg. 4A, 4B – revised topsoil and subsoil depths; updated SML area to match surveyed area; revised CC' reclaimed section where daylighting has occurred
 - Dwg. 5 – changed SML area to match surveyed area

Conservation and Reclamation Business Plan
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

SUMMARY

SML110026 is located within part of SE-11-061-18-W4M. The Leaseholder plans to extract the sand and gravel within the lease area to meet the demand for aggregate for private and public projects in the Smoky Lake area.

The area is currently a grazing lease and the grazing leaseholder has provided consent to withdraw the land from GRL 40194. There are cutlines and trails on the site, and a pipeline right of way is located 5m north and parallel to the SML boundary.

The site is accessed from the south by Range Road 181 and an undeveloped government road allowance adjacent to the east boundary of the SML.

The SML is remote from homes and recreation areas, neighbouring activities are industrial, and the area does not contain sensitive environmental features. This CRBP includes mitigation measures to minimize environmental impacts and effects on others working nearby. Clearing will occur either prior to March 15th, or following a site-review to ensure that the nesting of migratory birds is not disturbed.

The site will be cleared and trees will be salvaged; negotiations are underway with ALPAC and Millar Western for the salvage agreement. A part of the south western SML boundary will be partially daylighted and will be reclaimed to a natural topography. Once reclamation is complete, the land will be in a condition suitable for wildlife habitat. Trees will be planted and other vegetation will grow back via natural regeneration supplemented by seeding as necessary.

Conservation and Reclamation Business Plan
 Applicant: Bill Phillips
 Part of SE Sec 11 Twp061 Rge18 W4M
 SML 110026

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Conservation and Reclamation Business Plan
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- Appendix A: Test Results
- Appendix B: Client Provided Test Results
- Appendix C: ASRD Landscape Analysis Tool Report
- Appendix D: FN Consultation Adequacy Decision & GRL Consent
- Appendix E: Survey Plan

Drawings

- Dwg. 1: Site Location
- Dwg. 2 and 2A: Existing Site/Planned Development
- Dwg. 3: Development Sequence
- Dwg. 4A and 4B: Cross-Sections
- Dwg. 5: Pitface Profiles
- Dwg. 6: Planned Reclamation

Conservation and Reclamation Business Plan
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

1.0 Introduction

1.1 Development Overview

The Leaseholder proposes to extract approximately 1,330,000 m³ (bank volume) of gravel from SML110026 to supply aggregate for private and public projects near Smoky Lake and the surrounding area, and major development projects in the area. It is estimated that the gravel will be removed from the SML over a period of 5 to 12 years.

Mining is sequenced in three phases and includes tree clearing and salvage, soil stripping and soil salvage, aggregate excavation, crushing, screening, and aggregate stockpiling.

Once mining operations are complete, the site will be reclaimed to a treed and grass environment suitable for wildlife habitat. To ensure full regrowth of trees over the area, natural succession will be supplemented by planting trees.

1.2 Location and Ownership

Crown disposition SML110026 is located approximately 22.5 kilometres (driving distance) north of Smoky Lake within SE Sec 11 – TWP 61 – RGE 18 – W4M in Smoky Lake County (Dwg.1).

2.0 Municipal Requirements

2.1 Development Permit

The lease holder will apply for and maintain a Development Permit from Smoky Lake County.

3.0 Alberta Government Requirements

3.1 Alberta Land Survey

The SML boundary was surveyed by Gilmore Surveys (Artic) Ltd. The original survey plan dated January 7, 2012 is replaced by the plan dated August 2, 2012 (Appendix E).

4.0 Access

4.1 Transportation Plan/Haul Route

From the eastern SML boundary, aggregate will be hauled approximately 1.1 km south along the undeveloped government road allowance to where RDS 930045 abuts the road allowance from the west, continue south on the road allowance 0.85 km to Township Road 610 onto Range Road 181, and a further 3.3 km south to the intersection of Range Road 181 and Township Road 604, where the trucks can continue south, or go east or west. A development permit from Smoky Lake County will address the haul route.

Conservation and Reclamation Business Plan
Applicant: Bill Phillips
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SML 110026

5.0 Site Evaluation

5.1 Site Assessment Methodology

On-site assessment was conducted during the testing phase on March 30, 2011 and February 23, 24, 27, 2012. Further analyses were completed by examining test data (Appendices A and B) and by referencing various maps, reports, websites, and etc. (see References section). The Geographic Land Information Management Planning System (GLIMPS) was searched on March 17, 2011 to determine other interest holders. The SRD Landscape Analysis Tool (LAT May 30, 2011) was referenced to identify areas of special concern (Appendix C).

Base data and geo-referencing information were obtained from Abacus Datagraphics (1)¹ and AltaLis (5).

5.2 Testing

Testing of this area was completed on February 14 and March 31, 2011 as part of SME 100093. Fourteen test holes within the SML boundary and five near the SML Boundary were drilled using a tracked skid steer with a 6 inch diameter flighted auger system. Rock content was determined by auger resistance and the matrix was observed as the augers brought the materials to the surface. Test logs are provided in Appendix A and test locations are shown on Dwg. 2 and Dwg. 2A.

The client completed additional logs from auger test holes and excavator test pits on April 19-20, 2010 and February 23, 24, 27, 2012. TORLAND Inc. and the client classified materials according to slightly different schemes, however, the test results indicate the same overall stratigraphy. The locations of these test holes and test logs are provided in Appendix B and on Dwg. 2 and Dwg. 2A.

5.3 Depth and Volume of Deposit

The overburden depth ranges from 0 to 5.8 m and is on average 1.5 m.² There are two gravel units separated by a sand unit. The shallow gravel unit ranges in thickness from 1.2 to 9.1 m (average 3.7 m) and the deeper gravel unit ranges in thickness from 1.8 to 8.5 m (average 5.2 m). The sand unit between the gravel units ranges in thickness from 0.6 to 2.7 m (average 1.5 m). The deeper gravel unit contains discontinuous sand lenses between 1.5 m and 3 m thick (TL 220, 221). The maximum depth of excavation will be 13 m. The bank volume of gravel in the SML area is approximately 1,330,000 m³. Permission will be obtained to mine through the road allowance and the additional volumes will be accounted for by Alberta Transportation.

The quality of the gravel unit ranges from medium (35 to 50% rock content) to high (greater than 50% rock content) and the gravel is within a sand matrix.

¹ Unless otherwise indicated, numbers in brackets refer to References

² The following test holes were used to assess the deposit: 201, 202 – 208, 220 – 223, 713, 734 – 737

Conservation and Reclamation Business Plan
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

6.0 Areas of Regulatory Concern

6.1 Wildlife and Vegetation Sensitivities

No plant or animal species at risk are known to occur in the area (1),(9). There is not any known sensitive wildlife or vegetation features (see LAT report in Appendix C).

6.2 Migratory Birds

The nesting period for migratory birds is from early April to August 31 (6). Clearing will take place either prior to March 15th, or if clearing is to take place during the nesting period, the operator will consult with a qualified professional to inspect the area to ensure there are no active migratory bird nests prior to clearing the vegetation. If any active nests are found, those areas will not be disturbed until the qualified professional advises it is safe to do so.

6.3 Fisheries Act

Pit operations in SML110026 will not affect fish or fish habitat. White Earth Creek is located approximately 1.3 to 1.5 km west of the western and southwestern SML boundaries. Between White Earth Creek and the western and south western SML boundaries there are two operating sand and gravel pits. White Earth Creek is documented as fish habitat (10). Along the base of the meltwater channel valley wall that forms the south western boundary of the SML, there is an intermittent stream which is a tributary to White Earth Creek (Dwg. 2, 2A). Approximately 100 m of undisturbed vegetation separates the south western SML boundary from the intermittent stream.

Along all SML boundaries, except where daylighting will occur (part of south western SML boundary), surface runoff will be retained onsite because slopes dip towards the centre of the SML (Dwg. 4A,4B, 6). While daylighting, silt fences will be installed as necessary to keep surface runoff and sediment on the site and no fluids or sediment will be carried towards the intermittent stream. Surface runoff will not be pumped off the SML. Progressive reclamation will begin as soon as possible to re-establish vegetation.

6.4 Historical Resources

The current Historical Sites and Areas Document was reviewed (13). An HRV is not assigned for this area and a Historical Resources Impact Assessment is not required. If any artifacts are found while excavating, a qualified professional will be consulted for a site assessment.

6.5 Parks/Other Protected or Special Areas

The nearest park/protected/special area is Hanmore Lake Provincial Recreation Area, located approximately 4.2 km (straight line) northeast of the SML. The SML is far enough away from the park that no impact will occur to the features within the park, and recreational users will not see or hear pit activities.

SML110026 does not lie within or adjacent to a Natural Area, Eco-reserve, or Heritage Rangeland. There are no known permanent or research sample plots, or Rangeland

Conservation and Reclamation Business Plan
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

Benchmarks within 100m of the SML boundaries.

6.6 First Nations Consultations

First Nations consultation with Saddle Lake Cree Nation, Whitefish (Goodfish) First Nation, and Beaver Lake Cree Nation is complete (FNC # 20121738 Adequacy Decision --- Appendix D).

6.7 Other Interest Holders

There are few interest holders in this area. An agreement has been reached with GRL 40194 holder Kevin Wawrynchuk (Consent to Withdrawal – Appendix D).

Within NE 11-061-18-W4M

-- GRL 40194 - Kevin Wawrynchuk
-- PNT 820934 - Athabasca Office - Rangeland District -
Lands Division

Other Interest Holders in the Area

-- PLA 910056 - Apache Canada Ltd.
-- DRS 000006 - Transportation
-- LOC 881522 - Apache Canada Ltd.

The leaseholder intends to mine through the undeveloped Road Allowance that runs north-south along the east-side of the SML by agreement with Alberta Transportation.

7.0 Existing Land Use & Biophysical Conditions

7.1 Existing Land Use and Disturbances

The SML is currently forested wildlife habitat and a grazing lease area; the SML is adjacent to a pipeline right of way (5 m away from northern SML boundary). There are trails and cutlines in the SML area (Dwg. 2, 2A).

7.2 Vegetation

SML 110026 lies within the Central Mixedwood Subregion of the Boreal Forest Natural Region (14). The dominant tree type is pine.

There is no FMA holder for this area. Salvage of the pine will be completed by either ALPAC or Millar Western pending their on-site evaluation.

7.3 Forest Capability

The Canada Land Inventory for Forestry classifies the lease area as 80% Class 5MF and 20% Class 6W (7). The site has moderately severe to severe limitations to the growth of commercial forests due to soil moisture deficiency, low fertility, and soil moisture excess.

7.4 Wildlife

Because the SML area is used for grazing, it currently provides habitat for a limited variety of animals (e.g., deer, coyote, porcupine, hare, birds, etc.). Development of the lease in phases and progressive reclamation will minimize the length of time that wildlife is displaced. The site will be reclaimed through natural regeneration and succession, and tree planting. No long term impact to wildlife is expected. The reclaimed land will be wildlife habitat suitable for ungulates.

Migratory birds may nest within the site; therefore, clearing activity will be conditional (see 6.2 above).

7.5 Soils

Regional soil studies describe the soils in the SML area as follows:

- Orthic gray luvisol and dark gray luvisol; the area contains soils that are coarser textured than the dominant or co-dominant soils (AGRASID Soil Polygon 21830) (2),(3).
- 50% degraded dystric brunisol, loamy sand, rapidly drained (Nestow); 30% degraded eutric brunisol, coarse loamy sand, rapidly drained (Edwand); 20% degraded eutric brunisol and brunisolic gray luvisol, sandy loam and loamy sand, rapidly drained (Nicot Complex) (17)

During the first site visit (March 30, 2011) it was determined that the texture of the topsoil (A horizon) is sand and it ranges in thickness from 0 to 0.2 m and there is no distinct B horizon. Subsequent observations in February 2012 indicate 15 cm of A horizon and 60 cm of B horizon. Topsoil and subsoil will be salvaged as described in 8.2 below.

7.6 Topography

The topography is gently rolling to hummocky. Slopes range from gentle [6-9% (10:1)] to strong [16-30% (3:1)]. Located along the southwest SML boundary is the strong sloped eastern valley wall of a meltwater channel (Dwg. 2, 2A, 4B).

7.7 Surface Drainage

The site does not contain and is not adjacent to a permanent water body. Local surface drainage patterns are likely where hummocks are present. The general direction of surface drainage is from northeast to southwest. Overland flow is unlikely because the permeable gravel deposit is at surface – rainfall and snowmelt infiltrate the gravel before flowing in the subsurface towards the lower land west of the SML.

Along all SML boundaries, including where partial daylighting will occur (part of south western SML boundary), slopes will be maintained to dip toward the centre of the SML and surface runoff will be retained on the site (Dwg. 4A,4B, 6). Silt fences will be installed as necessary to ensure sediment is not transported off site. Surface runoff will not be pumped off site. Progressive reclamation will begin following excavation of the first mining cell to re-establish vegetation and reduce erosion and runoff at an early stage.

7.8 Hydrogeology

The closest water wells are located approximately 1.5 km away from the SML (166762, 192261) and are for domestic and stock use (4). The extraction operation is far enough from the water wells that no impact is expected.

None of the test holes in the SML area encountered wet materials. The water table has not been established in the SML area, though it is likely that the SML area is a recharge area with coarse materials at the surface; no springs or water bodies are visible in the SML area.

7.9 Geology

The bedrock in the SML area is Late Cretaceous Belly River Group: nonmarine, grey to greenish grey, thick-bedded, feldspathic sandstone; grey clayey siltstone, grey and green mudstone; concretionary ironstone beds (12). No test holes or test pits intersected the bedrock.

The lease is located on a rolling and hummocky plain that is adjacent to and oriented parallel with a melt water channel that is occupied by the modern White Earth Creek. The geological origin of the sand and gravel is likely ice-contact fluvial (8).

7.10 Stratigraphy

There are four units identifiable in the SML area (Dwg. 4A, 4B)³. Where present, the topmost unit is gravel in a sand matrix and ranges in thickness from 1.2 to 9.1 m (average 3.7 m). Where the top gravel unit is present, there might be discontinuous bodies of sand overburden (0.6-4.0m thick; TL 203, 204, 207, 222). Below the top gravel unit, there is a sand unit that ranges in thickness from 0.6 to 2.7 m (average 1.5 m). Where the topmost gravel unit is not present, the sand unit closest to the surface is overburden. The third unit is gravel in a sand matrix and ranges in thickness from 1.8 to 8.5 m (average 5.2 m). This gravel unit contains discontinuous sand lenses between 1.5 m and 3 m thick (TL 220, 221). Below the deeper gravel unit is a sand unit containing thin, discontinuous gravel lenses.

The quality of the gravel unit ranges from medium (35 to 50% rock content) to high (greater than 50% rock content).

8.0 Pit Development

8.1 Buffers and Setbacks

There is a 5m buffer between the SML boundary and the pipeline right of way PLA 910056 (Dwg. 2, 2A). A 3m undisturbed buffer will be maintained along the SML boundary to protect the tree roots of adjacent trees. A maximum setback of 20 m is shown along all SML boundaries except where partial daylighting will occur. This is a theoretical setback if there is not sufficient overburden, sand and elimination material to construct the 3 to 1 slopes. The setback is calculated by multiplying the depth to the base of the deepest gravel unit (TL 221 at approximately 13 m), by 1.5 (for a slope of 3 to 1). Based on the test hole data, however, there is sufficient overburden, sand and elimination to construct 3:1 reclaimed slopes, thereby allowing gravel to be removed to the boundary of the SML.

Following agreements with Alberta Transportation, the Road Allowance will be mined through and this action will affect the setback and sloping accordingly.

³ The following test holes were used to describe the stratigraphy: 201, 202 – 208, 219, 220 – 223, 713, 734 – 737

8.2 Site Preparation

Trees will be cleared in one phase except from within the undisturbed 3 and 5 m buffers, and the trees salvaged by a third party (Dwg. 3). Tops of conifers will be salvaged for seed distribution during reclamation. There won't be any burning of woody debris. Logs and salvageable debris will be hauled off the site. The unsalvageable woody debris including stumps and limbs will be stockpiled in linear piles and covered with the salvaged topsoil to minimize fire hazard and to retain the debris for roll-back.

Topsoil (A horizon and the duff layer) will be stripped in one lift to an average depth of 15 cm and stockpiled where shown (Dwg. 3); where soil is less than 15 cm thick, the top 15 cm of materials will be stripped. Alternatively, The topsoil will be placed over woody debris piles to reduce the potential for fire. Subsoil (B horizon) will be stripped to an average depth of 60 cm and stockpiled where shown (Dwg. 3).

Overburden (where available) will be stripped in a separate lift to expose the gravel or marketable sand and stockpiled where shown (Dwg. 3) for use in reclamation (Dwg. 3).

8.3 Mining Sequence / Additional Development Opportunities

For a detailed description of the mining sequence and progressive reclamation see Dwg. 3. To maximize resource potential, the Leaseholder plans to pursue approvals to mine through the road allowance located adjacent to the east side of the SML. The phases as outlined on Dwg. 3 show two scenarios: 1) the extraction area is restricted to within the SML boundary (excluding undisturbed buffers); 2) approval is obtained to mine through the road allowance.

9.0 Mitigation Measures for Pit Operations

9.1 Dust Control

A speed limit of 15 km/h will be implemented in the active pit area and all loads of aggregate material will be covered and tarped to reduce the dust generated from vehicles. Covered loads also reduce the potential for vehicle damage from gravel falling off the trucks. Active areas and haul roads will be watered when necessary; water will be obtained off-site from an approved source.

9.2 Weed Control

No known noxious or restricted weeds were evident during the on-site evaluation. To reduce the chance for introducing weeds, vehicles will be cleaned regularly, topsoil and other materials will not be imported, and any seed mixtures will be certified as free of weeds prior to their use. The site will be monitored for evidence of weeds and a weed identification reference will be made available to onsite personnel⁴. Weed control will be implemented as necessary (e.g., picking, mowing, or spot spraying).

⁴ For a recent example of a weed identification guide, see the *Alberta Invasive Plant Identification Guide* <http://www.wheatlandcounty.ca/files/ID%20Book%202010%20-%20Final%20-%20Copy.pdf>; last accessed June 2, 2011.

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9.3 Noise Monitoring

All pit operations will be conducted in accordance with the provincial and municipal noise regulations. The proposed site is well-isolated from human settlement.

9.4 Wind and Water Erosion

The integrity of the soil stockpiles will be maintained by placing them at least 3m away from the toe of any other existing stockpiles and 5m from the edge of any pit faces. To reduce the potential for soil loss by erosion, soil stockpiles will be contoured and stabilized by seeding lightly according to Alberta Environment guidelines (18). Silt fences will be installed as necessary to contain sediment run-off within the site.

Progressive reclamation techniques and concurrent reclamation will be employed as soon as possible to reduce the overall disturbance at any one time (ref. Dwg. 3). During prolonged periods of inactivity, pit faces will be sloped to 2:1 to maintain stability and reduce erosion (ref. Dwg. 5).

9.5 Waste and Hazardous materials

All combustible refuse will be stored in metal dumpsters and disposed off-site. All non-combustibles, petroleum materials and containers will be disposed in appropriate off-site facilities. While on-site, all hazardous materials (fuel, oil, etc.) will be handled safely to prevent contamination of soil and water. Above ground storage tanks will have secondary containment that meets Alberta Environment's guidelines (19). A spill kit will be kept on site as a contingency in the event of a spill. Domestic refuse will be kept in animal proof containers and human waste will be managed in a self-contained portable toilet.

9.6 Fire Protection

The area is not within a FireSmart Community Zone but the lease operator will implement strategies to minimize the risk of fire (11). All combustible refuse will be stored in metal dumpsters and disposed offsite. If any excess woody debris is to be burned on site the material will be placed on bare mineral soil and burned only under favourable wind, humidity and moisture conditions and under Permit requirements. Woody debris left on site for reclamation purposes will be covered with soil to reduce the fire hazard.

10.0 Planned Reclamation

10.1 Sloping

All reclaimed slopes except the partial daylighted slope will be contoured to 3:1 or gentler as indicated on Dwg. 4A, 4B, 5 and 6. Slopes of 6:1 are planned for the western and southern SML boundaries. The partial daylighted slope will be shaped to conform to the existing topography. The topography of the reclaimed site will be variable and undulating so that a diverse wildlife habitat will develop.

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10.2 Decompaction and Soil Placement

The processing areas and all internal haul roads will be decompacted. These areas will be ripped to break up the surface and increase permeability prior to placing the soil.

At least 1.5 m of overburden and elimination materials will be placed on the pit floor (with poorer materials at the bottom) and slopes will be contoured to 3:1 or gentler, or to conform with the existing topography (see section 10.1) (Dwg. 4A, 4B). Subsoil will be replaced to a depth of 60 cm (average) followed by topsoil to an average depth of 15 cm. Available woody debris will be rolled back to increase surface roughness, reduce erosion, provide suitable microsites for seed establishment, and establish small animal and ungulate habitat.

10.3 Revegetation

The reclaimed site will be vegetated through natural regeneration from the soil seed bank and planting poplar trees. Tops of conifers will also be salvaged for seed distribution during reclamation. Natural succession is expected to produce a sequence of native grasses, suckering aspen and shrubs, and over the longer term, potential regeneration of conifers. Where there is opportunity during progressive development, early growth native species that revegetate by natural succession in unmined areas will be transplanted to reclaimed areas.

The site will be monitored for vegetation growth and any areas that are slow to grow will be seeded with native species or an approved seed mixture according to Alberta Environment guidelines (18).

10.4 Reclaimed Surface Drainage

Drawing 6 illustrates the surface drainage pattern of the reclaimed site. Due to the coarse nature of the overburden and reject materials that will be replaced during reclamation, most drainage is expected to be subsurface rather than overland flow. The 3:1 and 6:1 slopes along the most of the perimeter of the excavation area will ensure that most overland flow will be retained onsite and eventually seep through to the subsurface and follow the natural drainage pattern. Along the partially daylighted slope, a silt fence will be installed to entrap sediment and keep soil onsite as necessary. As the vegetation becomes well established, the fence is no longer needed and will be removed.

11.0 Reclamation Security

Not including undisturbed buffers, 31.21 ha (77.12 ac) of the SML area will be cleared for development in Phase 1. Note that when approval is received to mine through the road allowance, this number will increase by 0.17 ha to 31.38 ha (77.54 ac) to account for clearing in the 3m buffer along the east side of the SML.

The Local Timber Permit will be applied to both the area within the SML boundary and the road allowance.

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APPENDIX A: Test Results

APPENDIX B: Client Provided Test Results

APPENDIX C: ASRD Landscape Analysis Tool Report

APPENDIX D:

- FN Consultation Adequacy Decision
 - GRL Consent
-

APPENDIX E: Survey Plan

Drawings:

- Dwg. No. 1: Site Location
 - Dwg. No. 2 & 2A: Existing Site/Planned Development
 - Dwg. No. 3: Development Sequencing
 - Dwg. No. 4A & 4B: Cross-Section Profiles
 - Dwg. No. 5: Pit Face Profiles
 - Dwg. No. 6: Planned Reclamation
-

SML 110026 CRBP_Bill Phillips_ESRD Submission_November 2012

SME 100093 Test Report.
Within NE & SE SEC 11-061-18 W4,
[TEST LOGS.]

TABLE 1: TEST LOG
REF: ATTACHED SKETCH 1 & 1A 'TEST LOCATIONS'

TEST LOG		SUBSURFACE TESTS				MATERIALS CLASSIFICATION:			
SITE LOCATION:		SME 100093 WITHIN NE & SE 11-061-18 W4				J.L.G. BALL ENT / GORD			
TEST PLAN:		D. TORSTENSEN				TORLAND / D. TORSTENSEN			
EQUIPMENT OPERATOR:		J.L.G. BALL ENT / GORD				LOGS: D. TORSTENSEN			
EQUIPMENT:		TRACKED SKID STEER WITH 6" HYDRAULIC AUGER							
TESTING DATE(S):		FEB 14 & MARCH 30-31 2011							
COORDINATES:		UTM ZONE 12		GENERAL SOIL LITHOLOGY:		TS 0-10cm SAND; SS 0-20cm SAND.			
DEPTH UNITS:		FEET (+/- NEAREST UNIT)		GENERAL TOPOGRAPHY:		MATURE TREES, HILLS. ELEVATION VARIANCE APPROX 20 FT.			
TL 201	TL 202	TL 203	TL 204	TL 205	TL 206	TL 207	TL 208	TL 209	TL 210
0397 315 E 6013 647 N	0397 232 E 6013 638 N	0397 154 E 6013 628 N	0397 017 E 6013 642 N	0398 868 E 6013 628 N	0396 931 E 6013 464 N	0397 051 E 6013 464 N	0397 201 E 6013 516 N	0396 607 E 6013 743 N	0396 725 E 6014 021 N
00 - 07 S	00 - 05 S	00 - 03 S	00 - 08 S	00 - 01 S	00 - 18 S	00 - 13 S	00 - 06 S	00 - 08 Gs	00 - 19 Gs
07 - 10 Gs	05 - 11 Fs	03 - 05 Fs	08 - 10 Fs	01 - 05 Gs	18 - 22 Fs	13 - 15 Fs	06 - 27 Fs	08 - 12 S	19 - 50 S
10 - 14 Fs	11 - 13 Gs	05 - 18 Ps	10 - 13 S	05 - 08 S	22 - 33 Ps	15 - 20 Ps	27 - 32 Gs	12 - 16 Gs	00 - 00
14 - 15+ Gs	13 - 35+ Fs	18 - 24 Fs	13 - 30 Fs	08 - 20 Fs	33 - 35+ Gs	20 - 34 S	32 - 34 Ps	16 - 26 S	00 - 00
15+ - 00 UTP	00 - 00	24 - 30 S	30 - 34 Ps	20 - 28 S	00 - 00	00 - 00	34 - 35+ Gs	26 - 35 C	00 - 00
00 - 00	00 - 00	30 - 35+ Ps	34 - 35+ Fs	28 - 33 S	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
				33 - 35+ Fs					
TL 211	TL 212	TL 213	TL 214	TL 215	TL 216	TL 217	TL 218	TL 219	TL 220
0396 770 E 6014 218 N	0396 597 E 6014 445 N	0396 964 E 6014 272 N	0396 963 E 6014 038 N	0396 971 E 6013 815 N	0397 151 E 6013 901 N	0397 269 E 6014 154 N	0397 283 E 6014 382 N	0396 569 E 6013 656 N	0396 696 E 6013 415 N
00 - 14 Gs	00 - 03 S	00 - 02 S	00 - 18 Gs	00 - 15+ Gs	00 - 07 S	00 - 09 S	00 - 10 Gs	00 - 02 S	00 - 13 Gs
14 - 19 S	03 - 18 Fs	02 - 16 Gs	18 - 40 S	15+ - 00 UTP	07 - 35+ Gs	09 - 28 Gs	10 - 35 S	02 - 09 Gs	13 - 27 S
19 - 35 Gs	18 - 24 S	16 - 23 S	00 - 00	00 - 00	35+ - 00 UTP	28 - 32 S	00 - 00	09 - 24 S	27 - 35 Gs
35 - 43 S	24 - 35 Fs	23 - 25 Fs	00 - 00	00 - 00	00 - 00	32 - 34 Fs	00 - 00	24 - 34 Gs	35 - 45 Gs
43 - 60+ Gs	35 - 40 C	25 - 40 S	00 - 00	00 - 00	00 - 00	34 - 50 S	00 - 00	34 - 50 S	45 - 50 Gs
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	50 - 00	50 - 55 Gs
			W@ 35						00 - 00
W@ 46									
TL 221	TL 222	TL 223	TL 224	TL 225	TL 226	TL 227	TL 228	TL 229	TL 230
0396 852 E 6013 269 N	0397 044 E 6013 147 N	0397 192 E 6013 255 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N
00 - 02 S	00 - 06 Gs	00 - 19 S	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
02 - 06 Gs	06 - 14 S	19 - 42 Gs	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
06 - 15 S	14 - 36 Gs	42 - 55 S	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
15 - 20 Fs	36 - 40 S	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
20 - 24 S	40 - 43 Fs	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
24 - 43 Gs	43 - 55 S	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
43 - 60 S									
LEGEND:				AGGREGATE PROFILE:					
Pe	Peat	CS	Clayey Sand	CSi	Clayey Silt	Sa (S)	Sand: estimated less than 20% gravel		
T	Organic Top Soils	SSi	Sandy Silt	SiS	Silty Sand	Low (P)	Low gravel content: estimated 20-35% gravel		
C	Clay	SiC	Silty Clay	SC	Sandy Clay	Med (F)	Medium gravel content: estimated 35-50% gravel		
BR	Bedrock	SS	Sandstone			High (G)	High gravel content: estimated more than 50% gravel		
W@	Water @ (level or range of the top of wet material)					Definer:	Gs G in Sand; Gsi G in Silt; Gc G in Clay		
UTP	Unable to penetrate						Gsc G in Sandy clay; Gcs G in Clayey sand;		

Notes:

- the test plan was intended as a preliminary evaluation only;
- Material classifications with flighted auger systems are based on auger resistance to classify the rock content. Sands, silts, and clays are determined by material brought to the surface by the auger. Classification using the auger system therefore is not as accurate as sampling from open pits; material sampling using open pits is recommended to ensure suitability of the material for particular product specifications.

STML 110026 CRBP - Bill Phillips - ESRD Submission - November 2012

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APPENDIX A: Test Results

SME 100093 Test Report.
Within NE & SE 11-061-18 W4
[Sketch 1: Test Locations.]

Ref: attached Test Logs



SCALE 1 : 12,500

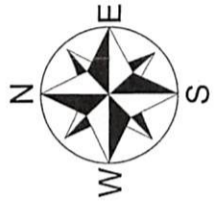
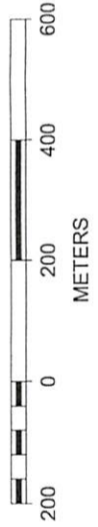


Image Date = 06/08/2008



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**APPENDIX B: Client Provided Test
Results**

No. April 15/10
 Date Littleville Page 1

No. April 19/10
 Date Littleville Page 2

705 0-3 Sand

3-10 ~~Sand~~ Small Gravel

10-30 Sandly Small

0-15 Small Rock

15-30 Sandly Rock

30-40 Sand

0-30 Small Rock

30 Plus Little Better Rock

0-35 Sandly Rock

3-5 Plus

0-8 Rocky Gravel

8-15 Sandly

15-20 Sandly Rock

20-30 Sand

710 0-5 Rock y Gravel

5-15 Fine Gravel Sand

15-20 Sandly Little Rock

20-30 Sandly Rock Pebb

30-35 Sand

35-45 Little Rock

0-6 Rocky Gravel

0-15 Pea Gravel Sand

15-20 Sandly

20-25 Fine Gravel

25-30 Sandly

30-40 Sand

713 0-40 Sand

714 0-4 Sand

4-10 Rocky Gravel

10-20 Sandly

20-25 Clay

April 20, 2010

cowry chart

728	0-9	Sand	732	0-10	Sand
	9-26	Fair Gravel	10-16	very Rocky	
	26-30	Sand	16-22	Sand	
	30-35	POOR Gravel	22-35	Sand	
	35-40	Fair Gravel	0-12	Sand	
	40-45	Sandy with Rocks	12-20	Fair G.	
		FN etc	20-35	Rocky Gravel	
729	0-2	Sand	35-45	POOR Gravel	
	2-15	Fair Gravel	0-6	Sand	
	15-25	Sand	6-20	Very Rocky G	
	25-35	small 1/2" - 1" Rocks	20-30	Sand	
		Also Sand	30-45	Sand	
	35-36	Sand	0-2	Sand	
	36-45	Rocky Gravel	2-22	Very Rocky G	
		Gravel Below		Can't Penetrate	
730	0-9	Sand	736	0-16	Sand
	9-22	Very Rocky Gravel	16-19	Rocky G	
		Can't Drill Through It	19-30	Sand	
		Gravel Below	737	0-7	Sand
			7-	25	Rocky Gravel
				Gravel Below	

WATER RYAN CHECK,
April 14/10

715	0-6	Fair Gravel	722	0-5	Rocky Gravel
	6-15	Sandy Gravel	723	5-20	Sand
	15-25	sand		0-4	Gravel Rnky
716	0-5	sand	724	4-20	Sand
	5-10	Fair Gravel		0-20	Sand
	10-25	Fair Gravel	725	0-20	Sand
	25-35	Fair Gravel	726	0-5	Sand
	35-40	Sandy	5-11	Rocky Gravel	
717	0-4	sand	11-20	Fair Gravel	
	4-10	Fair Gravel	20-45	Rocky Gravel	
	10-20	Sandy	WATER RYAN CHECK		
	20-25	Sandy	730	April 20/10	
718	0-20	Sandy	730	0-5	Sand
719	0-20	Sandy	5-12	Fair Gravel	
720	0-11	Rocky Gravel	12-16	Small Rock. Fair	
	11-15	Sandy Little Rock	16-24	Fair Gravel	
	15-25	Rock Gravel	24-30	Sandy	
		Little Rock	30-35	Fair Gravel	
	25-30	Sand	35-45	Rocky Gravel	
	30-35	Sand	Gravel Below		
721	0-2	Sand			
	2-3	Rocky Gravel			
	3-20	Sandy Fine Sand			

- (36) 0-6 sand
6-8 very rocky
8-10 sand
10-16 gravel Co
16-18.5 sand
0-5 sand
5-10 gravel Co
- (37) 10-35 sand
0-4 sand
4-8 Good Gravel
8-18 very rocky
Gravel Below
- (38) 0-2 sand
2-6 very rocky
6-8 sand
8-20 very rocky
Gravel Below
- (39) 0-2 sand
2-15 very rocky
Gravel Below

- (42) 0-5 sand
5-10 very rocky
Gravel Below
- (43) 0-7 sand
7-18 very rocky
18-40 very rocky
Gravel Below
- (45) 0-11 sand
11-20 very rocky
20-40 sand
0-2 sand
2-7 very rocky
7-16 sand
16-25 very rocky
25-40 sand
- (46) 0-2 sand
2-10 Good Cor
10-20 very rocky
20-35 very rocky
35-45 sand
45-50 small Gravel
- (47) 0-2 sand
2-10 Good Cor
10-20 very rocky
20-35 very rocky
35-45 sand
45-50 small Gravel

Feb 24/12

SML 110026

- (39) 0-41 sand
4-7 gravel gravel
7-10 sand
10-25 very rocky
gravel below
0-8 gravel gravel
8-16 very rocky
16-30 gravel gravel
30-42 very rocky
42-50 sand
(30) 0-5 sand
5-11 fair gravel
11-16 sand
16-22 fair gravel
22-28 sand
28-33 fair gravel
33-48 very rocky
gravel below
- (32) 0-3 sand
3-5 good G
5-11 sand
11-14 very rocky
14-22 sand
22-25 good G
25-32 very rocky
32-50 sand
(33) 0-1 sand
1-4 fair G
4-30 sand
(31) 0-11 sand
11-16 very rocky
16-24 sand
24-28 gravel gravel
28-50 sand
(32) 0-9 sand
9-15 very rocky
gravel below

(68)

0-2 sand
2-10 very Rocky
10-10 sand.
16-25 Good Gravel
25-30 very Rocky
30-33 sand
33-35 Fair G
35-50 sand

(70)

Feb 22/12
SME 110036
0-3 good
3-4 Good G.
4-7 sand
7-15 Good G.
15-14 sand.
14-21 Good G.
21-30 very Rocky
Gravel Below

(71)

0-5 sand.
5-8 Good G.
8-13 Good G.
13-22 Sand
22-28 very Rocky
Gravel Below.

(72)

0-2 sand
2-4 Good G.
4-11 Sand
11-14 Good G.
14-27 sand.
27-46 very Rocky
46-55 sand.
0-14 sand
14-18 very Rocky
18-24 Good Gravel
24-30 sand
30-32 bad/mud
32-40 sand
40-59 Good Gravel
59-55 very Rocky
55-65 sand

(73)

0-2 sand
2-4 Good G.
4-11 Sand
11-14 Good G.
14-27 sand.
27-46 very Rocky
46-55 sand.
0-14 sand
14-18 very Rocky
18-24 Good Gravel
24-30 sand
30-32 bad/mud
32-40 sand
40-59 Good Gravel
59-55 very Rocky
55-65 sand

(74) 0-2 Sand
 2-4 Good Gravel
 4-18 Sand
 18-27 Good Gravel
 27-36 Sand
 36-38 Fair G
 38-43 Sand
 43-50 Good G
 50-55 Sand
 55-60 Sand
 60-76 Sand
 76-86 Good G
 86-96 Sand
 96-102 Good G
 102-112 Fair G
 112-122 Sand
 122-132 Very Rocky
 132-142 Sand
 142-152 Very Rocky
 152-162 Sand
 162-172 Clay

(75) 0-2 Sand
 2-4 Good Gravel
 4-18 Sand
 18-27 Good Gravel
 27-36 Sand
 36-38 Fair G
 38-43 Sand
 43-50 Good G
 50-55 Sand
 55-60 Sand
 60-76 Sand
 76-86 Good G
 86-96 Sand
 96-102 Good G
 102-112 Fair G
 112-122 Sand
 122-132 Very Rocky
 132-142 Sand
 142-152 Very Rocky
 152-162 Sand
 162-172 Clay

(77) 0-14 Sand
 14-17 Good G
 17-22 Very Rocky
 22-26 Fair G
 26-45 Sand
 45-53 Good G
 53-56 Sand
 56-64 Very Rocky
 64-101 ON TOP OF
 101-117 Rocks

(78) 0-2 Sand
 2-4 Good G
 4-15 Sand
 15-20 Good Gravel
 20-24 Sand
 24-27 Very Rocky
 27-30 Sand
 30-32 Good G
 32-42 Sand
 42-48 Good G
 48-50 Sand
 50-56 Very Rocky
 56-60 Clay

(79) 0-2 sand
 2-4 Good Grnd.
 4-16 sand
 16-22 Good Grnd.
 22-34 sand
 34-45 very rocky
 45-50 sand
 50-55 Clay
 0-4 sand
 4-12 very rock.
 Gravel Below.

(80) 0-4 sand
 4-6 Good G.
 6-11 Sand
 11-25 very rocky
 25-35 sand
 35-40 small rock 1 1/2"
 40-47 sand
 47-50 sand
 50-55 clay

(81) 0-2 sand
 2-14 very Rocky
 Gravel Below
 0-2 sand
 2-6 Good G.
 6-8 sand
 8-10 Good G.
 10-16 very rocky
 16-45 sand

(82) 0-2 sand
 2-14 very Rocky
 Gravel Below
 0-2 sand
 2-6 Good G.
 6-8 sand
 8-10 Good G.
 10-16 very rocky
 16-45 sand

(84) 0-2 sand
 2-14 very Rocky
 Gravel Below
 0-2 sand
 2-6 Good G.
 6-8 sand
 8-10 Good G.
 10-16 very rocky
 16-45 sand



Made in U.S.A.
Fabriqué aux États-Unis

GRAND & JOY®

NOTE: on Dwgs. 2, 2A the locations for these holes are shown as "TH" not "POI"

8:00 am Hole # 32 POI 086
 0.1 - top soil picture 76
 0.2 - BS soil
 2.3 - gravel - bony up to 8" rock
 2.9 - sand Feb. 23/12
 3.8 - gravel bony up to 8" rock -
 5.0 - sand

0.3 = 1 ft
 5.5 m - 2nd circle
 SML 100026

8:35 am Hole # 33 POI 087
 2 pictures.

0.1 top soil
 0.7 sand.
 1.0 gravel - small up to 7" rock
 1.75 black sand
 2.35 gravel - up to 8" rock
 4.35 sand
 5.5

9:00 am Hole # 34 POI 088

~~it's all~~
 0-2 ft. top soil 2 pictures.
 2- ~~3~~ ft sand.
 3-18 ft. gravel - up to 6" rock
 as far as we can go

9:45 am Hole # 35 POI 089 (in valley)

0-2 ft. top soil 2 pictures.
 2-8 ft. sand
 8-18 ft. gravel - 4" rock - high sand content

10:05 am Dale called in

NOTE: on Dwgs. 2, 2A the locations for these holes are shown as "TH" not "POI"

10:30 am Hole # 36 POI 090

0-1 ft. top soil 2 pictures.

1-13 ft. sand (beach).

13-18 ft. gravel (2-4" rock)

10:55 am Hole # 37 POI 091

0-2 ft top soil 2 pictures

2-18 ft beach sand (hardly any rock)

18 ft. nit rock @ bottom.

11:20 am Hole # 38 POI 092 + ~~093~~ deleted.

Bottom of ravine 1 picture.

2-4 ft. soils

4-10 ft. sandy clay

10-18 ft sand (no rock)

11:40 am Hole # 39 POI 094

Top of ravine by cross road. 1 picture.

0-2 ft. soils

2-20 ft. Sand (beach w/ little dirt) - no rock

12:00 pm Date checked in

Hole # 40 POI 095

0-2 ft. soils 2 pictures

2-10 ft. Sand

10-12 ft. rock shell

12-18 ft. Sand

2 rock master
5 shells

District
GPS logs
to
owner
092

NOTE: on Dwgs. 2, 2A the locations for these holes are shown as "TH" not "POI"

✓ 12:50 pm Hole # 41 POI ~~1096~~ ~~1097~~
0-2 $\frac{3}{4}$ ft. soils #098.
2-2.5 ft. sand ~~no rock~~ 1 picture.
2.5-5 ft. rock shelf. - 3-4" rock.
5-18 ft. all sand. - no rock.

✓ 1:15 pm Hole # 42 POI 099
0-2 ft. soils. 1 picture
2-18 ft. Band (beachy). no rock

1:35 pm Hole # 43 POI 100
0-2 ft. soils 1 picture
2-18 ft. beachy sand - no rock

1:28 - 525-2653 - Phil - using Darrell next week's
2:00 - checked in w/ Dale.

2:00 pm Hole # 44 POI 101
0-2 ft. soils 1 picture
2-18 ft. beachy sand - no rock

2:20 pm Hole # 45 POI 102
0-2 ft. soils 1 picture
2-18 ft. beachy sand - no rock.

2:35 pm Hole # 46 POI 103
0-2 ft. soils 1 picture

NOTE: on Dwgs. 2, 2A the locations for these holes are shown as "TH" not "POI"

2:55pm Hole #47 POI 104
0-2 ft. soils 1 picture.
2-6 ft. sand.
6-8 ft. rocky shelf - but dirty.
8-18 ft. sand.

3:15-3:30 greased hoe + pounded in bucket pin (loosened + missing belt)

3:35pm Hole #48 POI 105
0-2 ft. soils 1 picture
2-18 ft. sand - no rock.

3:50pm Hole #49 POI 106
0-2 ft. soils 1 picture
2-18 ft. sand no rocks.

4:00- Dale checked in; met up w/Dustin/Craig on road.

4:05 Hole #50 POI 107
0-2 ft. soils
2-18 ft. sand - no rock

4:25 Hole #51 POI 108
0-2 ft. soils
2-18 ft. sand - no rock.

NOTE: on Dwgs. 2, 2A the locations for these holes are shown as "TH" not "POI"

4:35 pm Hole #52 POI 109 - top of hill
0-2 ft. soils
2-18 ft. sand - no rock

4:50 pm Hole #53 POI 110 - in ^(ravine) gully on corner
0-3 ft. soils
3-18 ft. sand - no rock

5:00 pm Hole #54 POI 111
0-2 ft. soils
2-18 ft. sand - no rock

Feb. 24/12. - SML 100045

~~8:30 am Hole #55 POI 112
0-2 ft. soils
2-18 ft. sand - no rock~~

~~8:55 am Hole #56 POI 113
0-2 ft. soils
2-18 ft. sand - no rock~~

~~9:20 am Hole #57 POI 114
0-2 ft. soils
2-18 ft. sand - no rock~~

240	6" top soil 2' B soil	2' to 4' sand with rock pebbles to 3" 4' to 8' sand with small pebbles 8' to 9' sand with rock 2" to 5" 9' to 18' sand with very small amount of small rock	5 pictures
Feb 23	location 110026		
241	6" top soil 2' B soil	from 2' to 3' sand with rock small to 2" 3' to 5' sand with very little small rock 5' to 16' sand with few rock small to 1"	5 pictures
4/11			
242	6" top soil 2' B soil	from 2' to 4' sand with small rock 4' to 8' sand with very little small rock 8' to 9' sand with rock small to 2" 9' to 16' sand with very little small rock	5 pictures



243	6" Top soil	2" B soil	11	Small to 2" Rock mixed in with "B" soil	From 3' to 17' sand with small rock	4 pictures
244	6" Top soil	2" B soil	1	2' to 4' sand with small rock	4' to 5' sand with small rock	5' to 18' sand with very little small rock
						5 pictures
245	6" Top soil	2" B soil	4111	2' to 4' sand with small rock	From 4' to 18' sand with few small rock	6 pictures
246	6" Top soil	2" B soil	1	2' to 4' sand with small rock	4' to 19' sand very little small rock	5 pictures



250	6" top soil 2" B soil	4 pictures	6" to 6' sand with small Rock	6" to 10' sand with little amount of Rock	10' to 12' Rock 2" to 6" - took sample	12' to 18' sand with Rock 2" to 6"
249	6" top soil 9" B soil	5 pictures	From 4' to 16' sand very small amount of small Rock	From 1' to 4' sand with small Rock	From 4' to 16' sand with Rock throughout 1" to 2"	From 6" to 4' sand 1/3" soil with small Rock
248	6" top soil 2" B soil	5 pictures	16 to 17' sand with small amount of rock	3' to 16' sand with small Rock	1' to 3' sand with Rock small to 2"	1' to 3' sand with Rock small to 2"
247	6" top soil 2" B soil					



~~35m~~ spot sheet

251 6" top soil 2' B soil

from 2' to 4' sand with small rock

4' to 10' sand with little amount of ^{small} rock

10' to 13' rock with sand 2" to 5"

13' to 17' yellow sand no rock

6 pictures

252

6" top soil 2' B soil

2' to 6' sand with very little small rock

6' to 8' black coal with rock 2" to 4"

8' to 18' sand with very little rock 1" to 4"

7 pictures

253

6" top soil 2' B soil

3 small rock mixed in with B soil

2-5' sand no rock

5' to 18' rock with sand 2" to 6"

17' to 20' sand no rock

8 pictures

sample taken

8 pictures
 16' to 19' dark sand with few Rock 2 1/2"
 10' to 18' Rock with sand 3" to 5"
 7' to 10' sand with little amount of small
 Rock
 6' to 7' dark sand with Rock small to 2"
 2' to 6' sand very little small Rock 3"
 small to 2" Rock with "B" soil

255 6" top soil 2' "B" soil
 6 pictures

8' to 12' sand with Rock 2" to 5"
 4' to 8' coal with Rock 1" to 5"
 2' to 4' sand with Rock small to 2"
 2" to 4" Rock with "B" soil

254 6" top soil 2' "B" soil

256 6" Top soil 2' B" soil
 (small) 4" of Rock with sand under "B" soil
 2' to 6' sand with few small Rock
 6' to 16' sand with Rock 2" to 4"
 6 Pictures

257 6" Top soil 2' B" soil
 2' to 8' sand with small Rock
 8' to 13' sand with Rock 3" to 5"
 13' to 16' sand no rock - keeps cobble
 4 Pictures

258 6" Top soil 2' B" soil
 2' to 4' sand with small Rock
 4' to 17' sand with few small rock
 4 Pictures

259 6" Top soil 2' B" soil
 2' to 4' sand with small Rock
 4' to 16' sand with few small rock
 6 Pictures

60m Apart

260

6" Top soil 2' "B" soil

2' to 10' sand with small rock

10' to ~~16'~~ sand (dark) no rock

6 Pictures

6" Top soil 2' "B" soil

2' to 8' sand with rock small to 3"

8' to 17' sand ~~no~~ no rock

7 Pictures

262

6" Top soil 2' "B" soil

small rock to 1" with "B" soil

from 2' to 10' sand with Abot of small rock

10' to 16' dark sand no rock

8 Pictures

263

6" Top soil 2' "B" soil

2' to 4' sand no rock

4' to 16' sand small amount of small rock

balls are falling in

6 Pictures

Conservation and Reclamation Business Plan
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

**APPENDIX C: ASRD Landscape
Analysis Tool Report**

The LAT is not specifically designed for SMLs, however is generated and referred to here for the Base and Sensitive Features listed and the

SCHEDULE B Map legend classification as generated for an MSL

Landscape Analysis Tool Report

0000008556
Page 1 of 14

Time: 15:01 36 PM	
LAT Number:	0000008556
LAT Date:	2011-05-30
Project Name:	SML110026
Project Description:	
Disposition Type:	Mineral Surface Lease (MSL)
Purpose Type:	Wellsite & Compressor (WELLCOMP)

Note to Applicants:

It is the applicant's responsibility to determine if an EAP application will be submitted to SRD as "standard" or "non-standard". Applicants should complete a thorough review of EAP processes, IS&G documents and LAT Reports generated prior to making this determination.

- "Standard" interim EAP application submissions are those where the applicant chooses to meet all of the associated SRD Approval Standards identified in the LAT Report being submitted with the application.
- "Non-standard" interim EAP application submissions are those where the applicant chooses not to meet, or is not able to meet, one or more of the associated SRD Approval Standards identified in the LAT Report being submitted with the application. Non-standard interim application submissions require the inclusion of a completed Non-standard Mitigation Supplement.
- "Where there is more than one applicable Approval Standard or Operating Condition, as the case may be, applicable to the activities and the Lands as identified in the LAT Report being submitted with the application, the more strict Approval Standard or Operating Condition shall prevail."

The information provided within the LAT Tool is a spatial representation of features provided for land use planning. The accuracy of these layers varies depending on the resource value being represented. Ground-truthing is required to ensure that the applicant will meet the applicable Integrated Standards and Guidelines.

SCHEDULE B

The LAT is not specifically designed for SMLs, however is generated and referred to here for the Base and Sensitive Features listed and the Map legend classification as generated for an MSL

Landscape Analysis Tool Report

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Base Features

Crown Ownership:	<input type="text" value="Provincial/Untitled"/>	FMU:	<input type="text" value="LO1"/>
Green/White Area:	<input type="text" value="White Area"/>	FMA:	<input type="text"/>
Municipality:	<input type="text" value="Smoky Lake County"/>		
Provincial Grazing Reserve:	<input type="text"/>	Integrated Resource Plan (Local):	<input type="text"/>
Rocky Mountain Forest Reserve:	<input type="text"/>		

Provincial Sanctuaries

Corridor Wildlife:	<input type="text"/>	Game Bird:	<input type="text"/>
Restricted Area:	<input type="text"/>	Seasonal:	<input type="text"/>
		Wildlife:	<input type="text"/>

The LAT is not specifically designed for SMLs, however is generated and referred to here for the Base and Sensitive Features listed and the Map legend classification as generated for an MSL

SCHEDULE B
Landscape Analysis Tool Report

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Page 3 of 14

Sensitive Features

Wildlife	
Burrowing Owl Range:	<input type="text" value="No"/>
Caribou Zones:	<input type="text" value="No"/>
Colonial Nesting Birds:	<input type="text" value="No"/>
Eastern Short-horned Lizard Range:	<input type="text" value="No"/>
Endangered and Threatened Plants Ranges:	<input type="text" value="No"/>
Greater Sage Grouse Habitat and Buffer:	<input type="text" value="No"/>
Greater Sage Grouse Leks and Buffer:	<input type="text" value="No"/>
Grizzly Bear Zone:	<input type="text" value="No"/>
Key Wildlife and Biodiversity Zones:	<input type="text" value="No"/>
Mountain Goat and Sheep Areas:	<input type="text" value="No"/>
Ord's Kangaroo Rat Range:	<input type="text" value="No"/>
Other Sensitive and Endangered Species:	<input type="text" value="No"/>
Piping Plover Waterbodies:	<input type="text" value="No"/>
Sensitive Amphibians Ranges:	<input type="text" value="No"/>
Sensitive Raptor Range:	<input type="text" value="No"/>
Sensitive Snake Species Range:	<input type="text" value="No"/>
Sharp-tailed Grouse Range:	<input type="text" value="No"/>
Special Access Zone:	<input type="text" value="No"/>
Swift Fox Range:	<input type="text" value="No"/>
Trumpeter Swan Waterbodies/Watercourse:	<input type="text" value="No"/>
Water	
Proximity to Waterbody:	Industry will ensure that the Watercourse/Waterbodies standards and conditions as defined within the Integrated Standards and Guidelines are followed. To ensure these setbacks and buffers are addressed and maintained, it is recommended that a pre-site assessment occur.
Grassland and Parkland Natural Region:	
Grassland and/or Parkland Natural Region:	<input type="text" value="No"/>

SCHEDULE B

The LAT is not specifically designed for SMLs, however is generated and referred to here for the Base and Sensitive Features listed and the Map legend classification as generated for an MSL

Landscape Analysis Tool Report

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Page 4 of 14

<u>Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Meridian</u>	<u>Sensitive Features by Quarter Section</u>
SE	11	61	18	4	

The LAT is not specifically designed for SMLs, however is generated and referred to here for the Base and Sensitive Features listed and the

SCHEDULE B Map legend classification as generated for an MSL

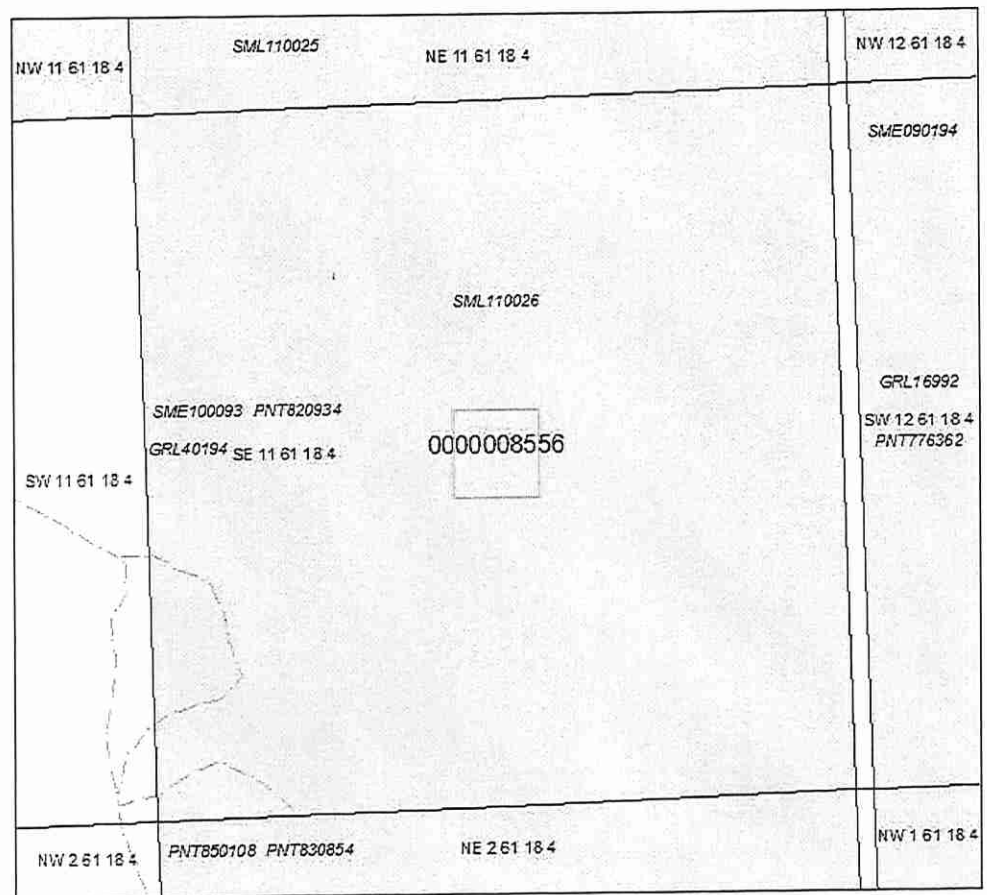
Landscape Analysis Tool Report

0000008556
Page 5 of 14

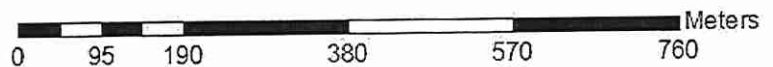


Legend

- ATS Quarter Section
- DIDS Conflicts
- DIDS Applications
- ATS Township
- Perennial Stream
- Indefinite Stream
- Recurring Stream
- Spillway
- Aquaduct
- Canal
- Ditch
- Perennial Oxbow
- Recurring Oxbow
- Canal
- Dugout
- Icefield
- Islands
- Lagoon
- Perennial Lake
- Recurring Lake
- Perennial Oxbow
- Recurring Oxbow
- Quarry
- Reservoir
- River
- Wetland



1:6,742



Conservation and Reclamation Business Plan
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

APPENDIX D:

- FN Consultation Adequacy Decision
 - GRL Consent
-

**Government
of Alberta** ■

Fish & Wildlife/
Area Operations Division
Waterways Lac La Biche Area

182 Chippewa Road
Sherwood Park, AB
T8A 4H5

Phone: 780-464-7955
Fax: 780-449-0718
Email: wayne.holland@gov.ab.ca

November 25, 2011

FNC File #LLB20110201

Bill's Tractor Service
Box 770
Boyle, Alberta
T0A 0M0

Dear Mr. Bill Phillips:

Re: Bill's Tractor Service – SML 110026

Alberta Sustainable Resource Development has reviewed the consultation summary provided by Bill's Tractor Service regarding their proposed SML 110026 which includes the following lands and/or area;

- SE 11-61-18-W4M

Based on the above, Alberta Sustainable Resource Development has determined that consultation is complete for SML 110026 and was approved on November 24, 2011. The proponent may proceed with application for land activities as defined above. This letter does not grant any authority for the proponent to make application for any use of land not identified within this letter.

Should you have any questions, please contact me at 780-464-7955.

Respectfully,



Wayne Holland
Land and Range Program Manager
Lac La Biche Area

Copy Marvin Pearce, SRD Athabasca

SML 110026 CRBP_Bill Phillips_ESRD Submission_November 2012

Kevin Wawrynychuk
Box 458
Smokey Lake, Alta.
T0A 3C0
780-656-2263

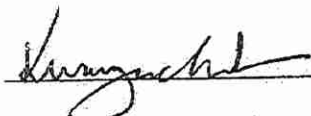
December 03 2011


To Whom It May Concern: Alberta Sustainable Resource Development

Land Location: SE ¼ - 11-61-18-W4

Grant by GRL Lease Holder (GRL 40194)

The Grazing Lease Holder gives consent to remove
77.64 acres/ 31.42 hectares from GRL # 40194 for the sole purpose of
SML # 110026 for the sand and gravel extraction.


Kevin Wawrynychuk


Witness: MARLENE DIACHYSHYN

Date: DEC. 1 / 2011

Date: DEC. 1, 2011

Conservation and Reclamation Business Plan
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

APPENDIX E: Survey Plan



PLAN
SHOWING SURVEY OF
SML 110026
(For Surface Material Lease)
WITHIN
S.E. 1/4 Sec. 11 - Twp. 61 - Rge. 18 - W4Mer

BILL PHILLIPS

COUNTY OF SMOKY LAKE
ALBERTA

SCALE 1:5000
D.C. GILLMORE, ALS
2012



ALL BEARINGS ARE GRID, DERIVED FROM GNSS OBSERVATIONS
ALL DISTANCES ARE AT GROUND LEVEL AND IN METRES AND DECIMALS THEREOF.

AREA DEALT WITH BY THIS PLAN BOUNDED THUS AND CONTAINS 29.90 ha.

FOUR PITS ARE DENOTED THUS PIT
WITNESS MONUMENT IS DENOTED THUS WITNESS
FOUND NO MARK IS DENOTED THUS FOUND NO MARK
FOUND IRON POST IS DENOTED THUS FOUND IRON POST
HICKEY IS DENOTED THUS HICKEY
MERCURY IS DENOTED THUS MERCURY
MEROMAN IS DENOTED THUS MEROMAN
RANGE IS DENOTED THUS RANGE
RIGHT OF WAY IS DENOTED THUS RIGHT OF WAY
STATUTORY IRON POST FOUND SHOWN THUS STATUTORY IRON POST FOUND SHOWN THUS
STATUTORY IRON POST PLANTED SHOWN THUS STATUTORY IRON POST PLANTED SHOWN THUS
TOWNSHIP IS DENOTED THUS TOWNSHIP
IRON BAR PLANTED SHOWN THUS IRON BAR PLANTED SHOWN THUS
FOUND IRON BAR IS DENOTED THUS FOUND IRON BAR IS DENOTED THUS
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NORTH IS DENOTED THUS NORTH IS DENOTED THUS
MARKER POST IS DENOTED THUS MARKER POST IS DENOTED THUS
EAST IS DENOTED THUS EAST IS DENOTED THUS

PLAN DATUM
THE REFERENCE POINT IS DERIVED FROM PUBLISHED ATS CO-ORDINATES

HORIZONTAL DATUM NAD83
PROJECTION UTM
DESCRIPTION F.D.I. @ E.1/4(11) 61-18-4 DENOTED THUS . (R)P
NORTHING 6013667.749
EASTING 397343.045
COMBINED SCALE FACTOR 0.999831
CENTRAL MERIDIAN 111W

I, Duncan C. Gillmore, Alberta Land Surveyor, solemnly declare that the survey represented by this plan was made under my personal supervision, the survey was made in accordance with good surveying practices and in accordance with the provisions of the Survey Act, as amended, and the regulations thereunder, and that the survey was made on or after the 1st day of FEBRUARY, 2012, and that the survey was made in accordance with the provisions of the Public Lands Act, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

Duncan C. Gillmore
ALBERTA LAND SURVEYOR

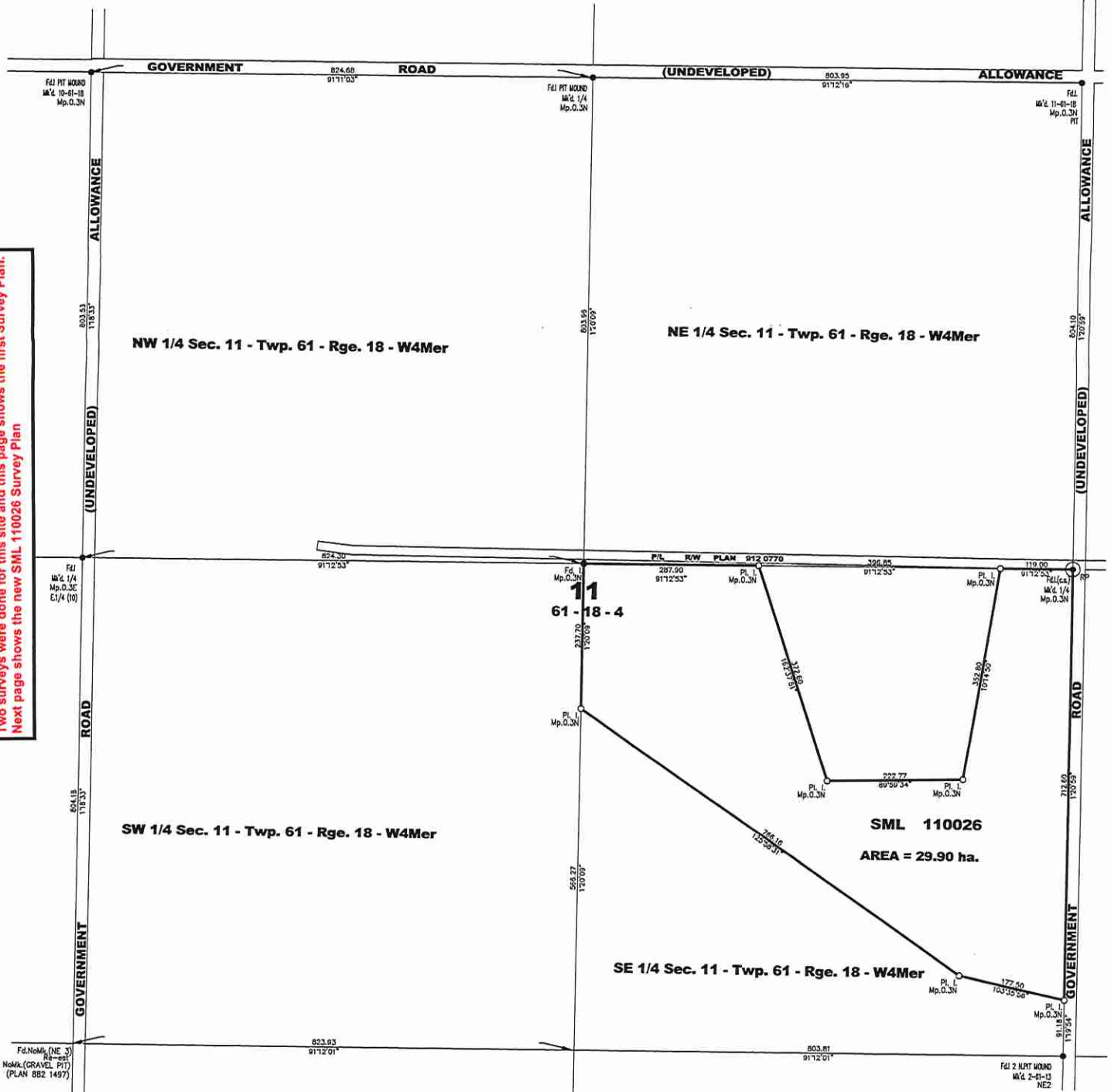


Declaré before me at 9:00 am
this 7th day of January, 2012.

Pearl Gillmore
Pearl Gillmore
Commissioner For Oaths
of the Province of Alberta
Commission expires on Aug. 17, 2012

GILLMORE SURVEYS (ARCTIC) LTD
NS 11-15044 CSAL 1151-52
FILE NO. SML 110026

Two surveys were done for this site and this page shows the first Survey Plan.
Next page shows the new SML 110026 Survey Plan



PLAN
SHOWING SURVEY OF
SML 110026
(For Surface Material Lease)

WITHIN

S.E. 1/4 Sec. 11 - Twp. 61 Rge. 18 - W4Mer

BILL PHILLIPS

COUNTY OF SMOKY LAKE

ALBERTA

SCALE 1:5000 D.C. GILLMORE, ALS
2012



ALL BEARINGS ARE GRID, DERIVED FROM GNSS OBSERVATIONS
ALL DISTANCES ARE AT GROUND LEVEL AND IN METRES AND DECIMALS THEREOF.
AREA DEALT WITH BY THIS PLAN BOUNDED THUS AND CONTAINS 32.32 ha . . .

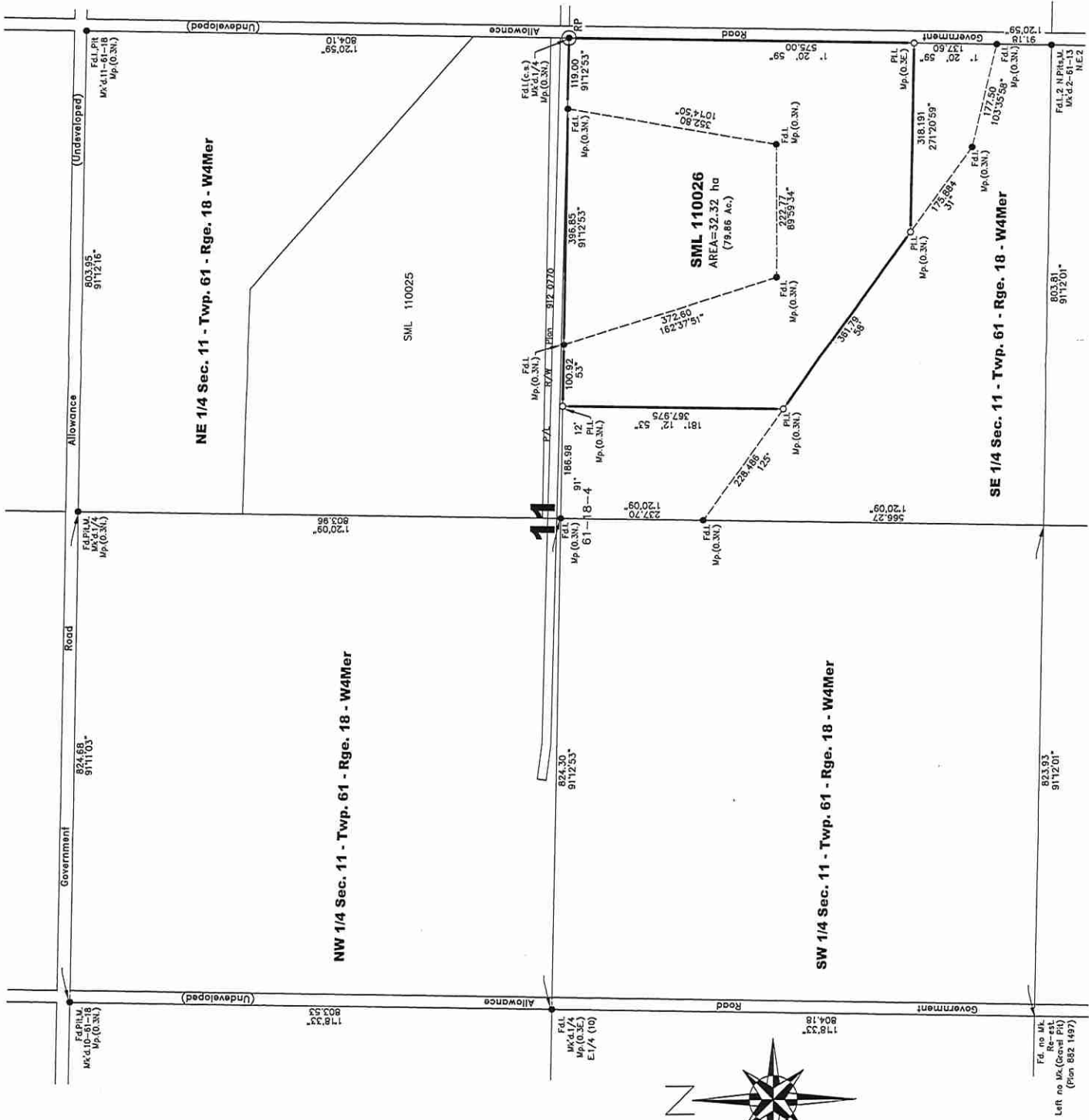
- EAST IS DENOTED THUS E
- FOUND IRON POST IS DENOTED THUS Fd
- FOUND LEAD PILE IS DENOTED THUS Fd.L.P.
- FOUND NO MARK IS DENOTED THUS Fd. No Mk
- HECTARE IS DENOTED THUS ha
- MARK IS DENOTED THUS Mk
- MARKED IS DENOTED THUS Mk.d
- MARKER POST IS DENOTED THUS Mp
- MERIDIAN IS DENOTED THUS Mer
- MOUND IS DENOTED THUS M
- NORTH IS DENOTED THUS N
- NORTH AMERICAN DATUM IS DENOTED THUS NAD
- PIT (4 FOUND) IS DENOTED THUS Pit
- RE-ESTABLISHED IS DENOTED THUS Re-est
- RIGHT OF WAY IS DENOTED THUS R/W
- SECTION IS DENOTED THUS Sec.
- SOUTH IS DENOTED THUS S
- STATUTORY IRON POST FOUND SHOWN THUS S
- STATUTORY IRON POST PLANTED SHOWN THUS O
- TOWNSHIP IS DENOTED THUS Twp
- UNIVERSAL TRANSVERSE MERCATOR IS DENOTED THUS UTM
- WEST IS DENOTED THUS W
- WITNESS MONUMENT IS DENOTED THUS (Wt)

PLAN DATUM
THE REFERENCE POINT IS DERIVED FROM PUBLISHED AITS COORDINATES.
HORIZONTAL DATUM NAD83
PROJECTION UTM
DESCRIPTION Fd.L. E1/4(11) 61-18-4 DENOTED THUS RP
NORTHING 6013667.749
EASTING 397343.045
COMBINED SCALE FACTOR 0.999631
CENTRAL MERIDIAN 111°W

I, Duncan C. Gillmore, Alberta Land Surveyor, solemnly declare that the survey represented by this plan was made under my personal supervision, the survey was conducted in accordance with the provisions of the Survey Act, and that this plan is true and correct, and is prepared in accordance with the provisions of the Public Lands Act, and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.
Declared before me at City of Edmonton this 2nd day of August 2012.



Duncan C. Gillmore
D.C. GILLMORE
ALBERTA LAND SURVEYOR
Pearl Gillmore
A Commissioner For Oaths
in and for the Province of Alberta
Commission expires on August 17, 2012
GILLMORE SURVEYS (ARCTIC) LTD
WS 12-15405 OSAL 1174-40
FILE NO. **SML 110026**



Left no Mk (General Pit)
(Plan 882 1497)

Conservation and Reclamation Business Plan
Applicant: Bill Phillips
Part of SE Sec 11 Twp061 Rge18 W4M
SML 110026

SML 110026 CRBP_Bill Phillips_ESRD Submission_November 2012

Drawings:

- Dwg. No. 1: Site Location
- Dwg. No. 2 & 2A: Existing Site/Planned Development
- Dwg. No. 3: Development Sequencing
- Dwg. No. 4A & 4B: Cross-Section Profiles
- Dwg. No. 5: Pit Face Profiles
- Dwg. No. 6: Planned Reclamation



**Conservation and Reclamation
Business Plan
Surface Material Lease
SML 110026**

Legal Land Description: Within SE1/4
Sec11, Twp61, Rge18, W4M
Area of Lease: 32.32 hectares (79.86 acres)
Lessee Holder: Bill Phillips
Box 302
Boyle, AB T0A 0M0
Tel: (780) 689-1443

Dwg. No. 1

- DRAWINGS**
 Dwg. No. 1 : Site Location
 Dwg. No. 2 : Existing Site/Planned Development
 Dwg. No. 2A : Existing Site/Planned Development
 Dwg. No. 3 : Development Sequencing
 Dwg. No. 4A : Cross-Section Profiles
 Dwg. No. 4B : Cross-Section Profiles
 Dwg. No. 5 : Pit Face Profiles
 Dwg. No. 6 : Planned Reclamation

LEGEND:

-  SML Boundary
-  Undeveloped Government Road Allowance

TOR Land Resource Inc.

30116 128 - 1129-104 Ave.
 20116 128 Ave. 202
 Calgary, Alberta T2C 2G8
 Tel: 780 560 0012 (Ext)
 Fax: 780 560 0012 (Ext)
 Mob: 780 914 8531
 Fax: 780 560 0280

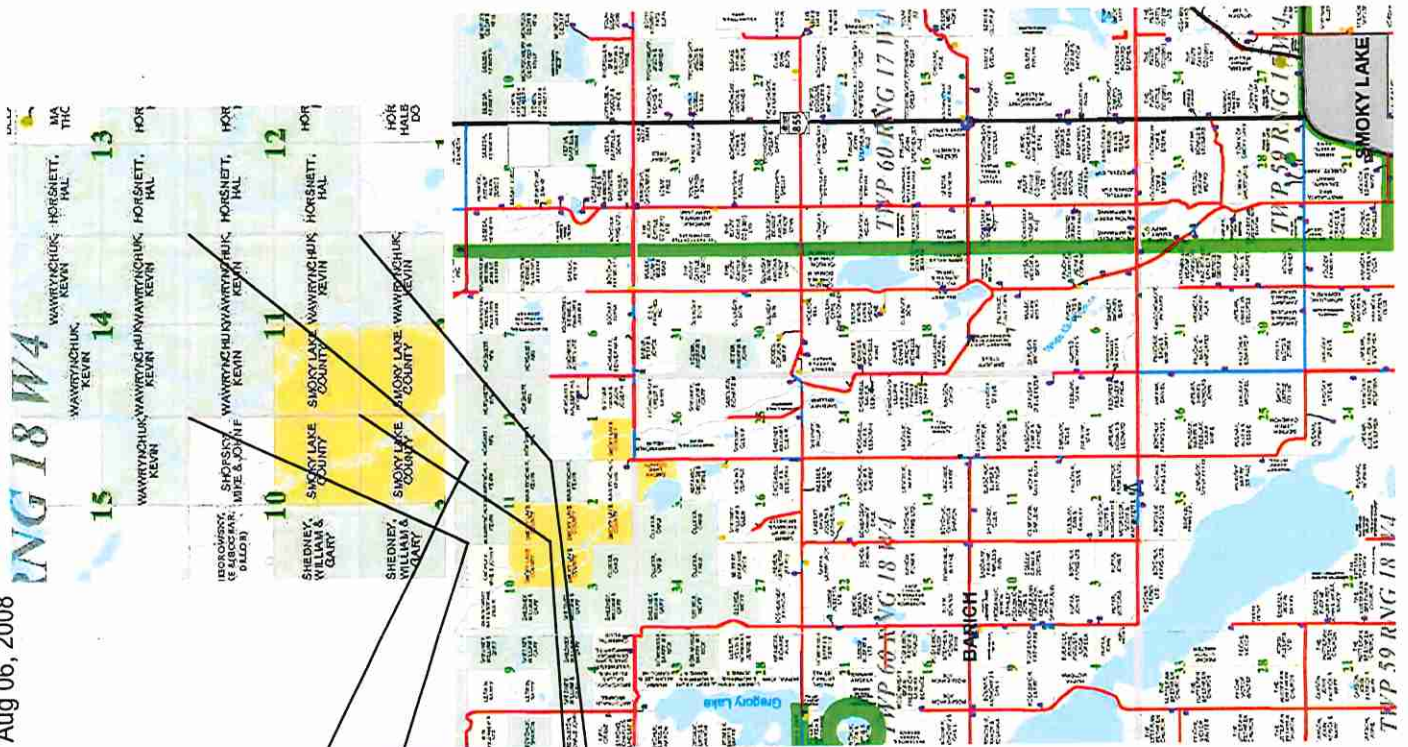
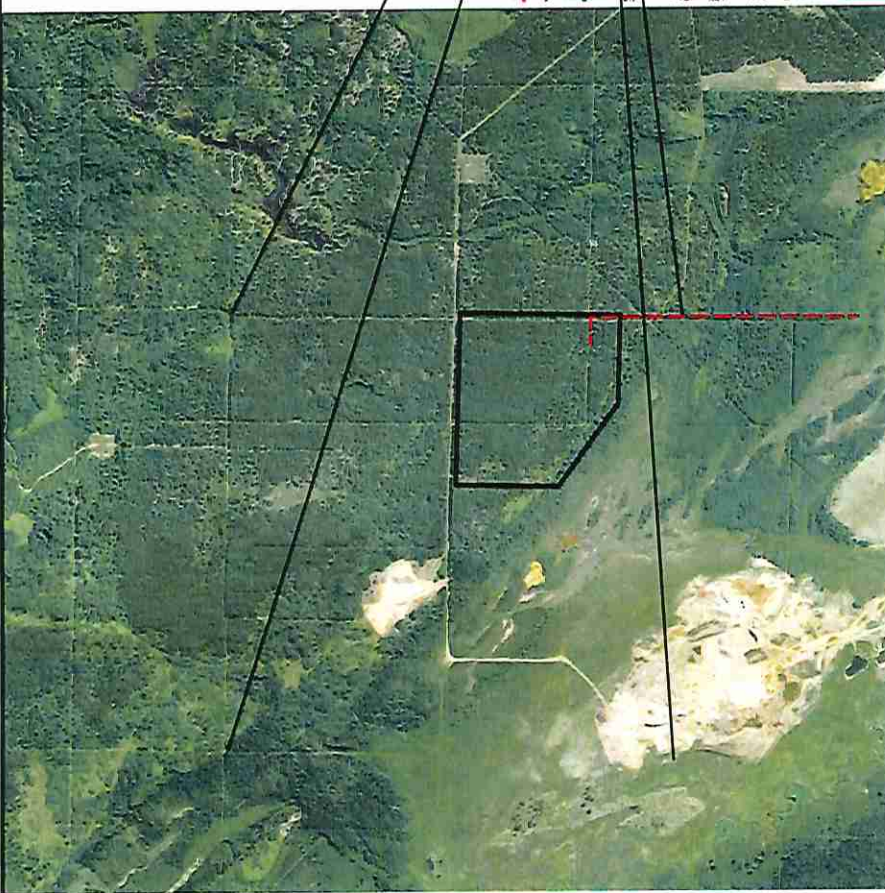
Drawn by: M. Paragyan
 H. D. Buhney

Checked by: VM. Torlensen

July 2011

Revision No.	Revision	Date
1	Updated areas to match survey plan; Updated soil stratigraphy; Revised CC - reclaimed cross section	Feb. 2012
2	Updated areas to match survey plan; Revised AA, BB' and CC cross section	October 2012

Valtus Air Photo
Aug 06, 2008



Smoky Lake County Ownership Map
 Accurate Assessment Group Ltd
 2010

**Conservation and Reclamation
Business Plan
Surface Material Lease
SML 110026**

Legal Land Description: Within SE1/4
Sec 11, Twp 61, Rge 18, W4M
Area of Lease: 32.32 hectares (79.86 acres)
Lease Holder: Bill Phillips
Box 302
Boyle, AB T0A 0M0
Tel: (780) 689-1443

Dwg. No. 2

DRAWINGS
Dwg. No. 1 : Site Location
Dwg. No. 2 : Existing Site/Planned Development
Dwg. No. 2A : Existing Site/Planned Development
Dwg. No. 3 : Development Sequencing
Dwg. No. 4A : Cross-Section Profiles
Dwg. No. 4B : Cross-Section Profiles
Dwg. No. 5 : Pit Face Profiles
Dwg. No. 6 : Planned Reclamation

LEGEND:
SML Boundary
Planned Access Road
Mining Cells Boundaries
Cutline
Stream
Test Hole Data (auger)
Client Provided Test Data (TL Series - Auger, TH Series - Hoe)
Pile shows % gravel (orange) and % sand (yellow) in selected test holes; Numbers indicate the thickness in metres
Pipeline Right of Way
Contour Lines (10m Intervals)

TOR Land Resource Inc.

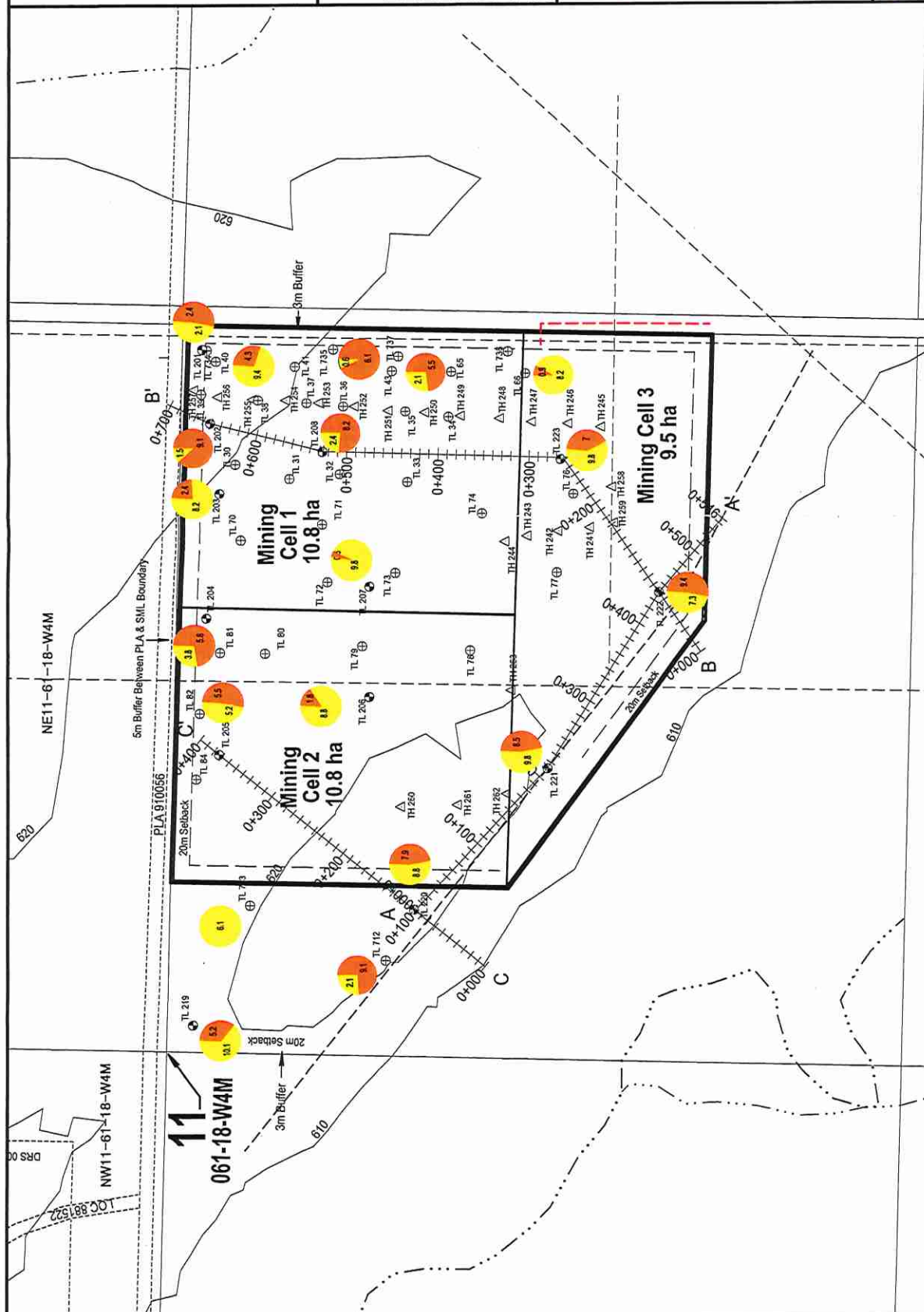
Suite 128, 1225-104 Ave.
Edmonton, AB T6C 1E2 (Canada)
Tel: (780) 483-8047 (Local)
Tel: (403) 804-8758 (CA/I)
Tel: (780) 914-5531
Fax: (780) 990-0280

Drawn by: M. Parsayan
H. D. Budney

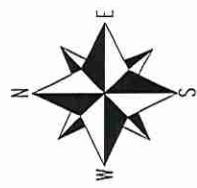
Checked by: VM. Toostensen

July 2011

Revision No.	Revision	Date
1	Updated areas to match survey Revised CC - reclamation section	Feb. 2012
2	Updated areas to match survey plan; Revised AA, BB, and CC cross section	October 2012



SCALE : 1:5000



Notes:

- The width of the unexcavated setback is based on the estimated maximum depth of the excavation using the following formula:
[width] = [(desired slope/2) x maximum depth of excavation]
- The estimated average maximum depth of the excavation is 13m resulting in a 20m setback to create 3:1 internal slopes along the property line. Setback will be decreased where the excavation is shallower. Setback will not be encroached unless sufficient other material (overburden and reject) is available to meet the sloping requirements.

**Conservation and Reclamation
Business Plan
Surface Material Lease
SML 110026**

Legal Land Description: Within SE1/4
Sect11, Twp6S1, Rge18, W4M
Area of Lease: 32.32 hectares (79.86 acres)
Lease Holder: Bill Phillips
Box 302
Boyle, AB T0A 0M0
Tel: (780) 689-1443

DWG. No. 2A
DRAWINGS
Dwg. No. 1 : Site Location
Dwg. No. 2 : Existing Site/Planned Development
Dwg. No. 2A : Existing Site/Planned Development
Dwg. No. 3 : Development Sequencing
Dwg. No. 4A : Cross-Section Profiles
Dwg. No. 4B : Cross-Section Profiles
Dwg. No. 5 : Pit Face Profiles
Dwg. No. 6 : Planned Reclamation

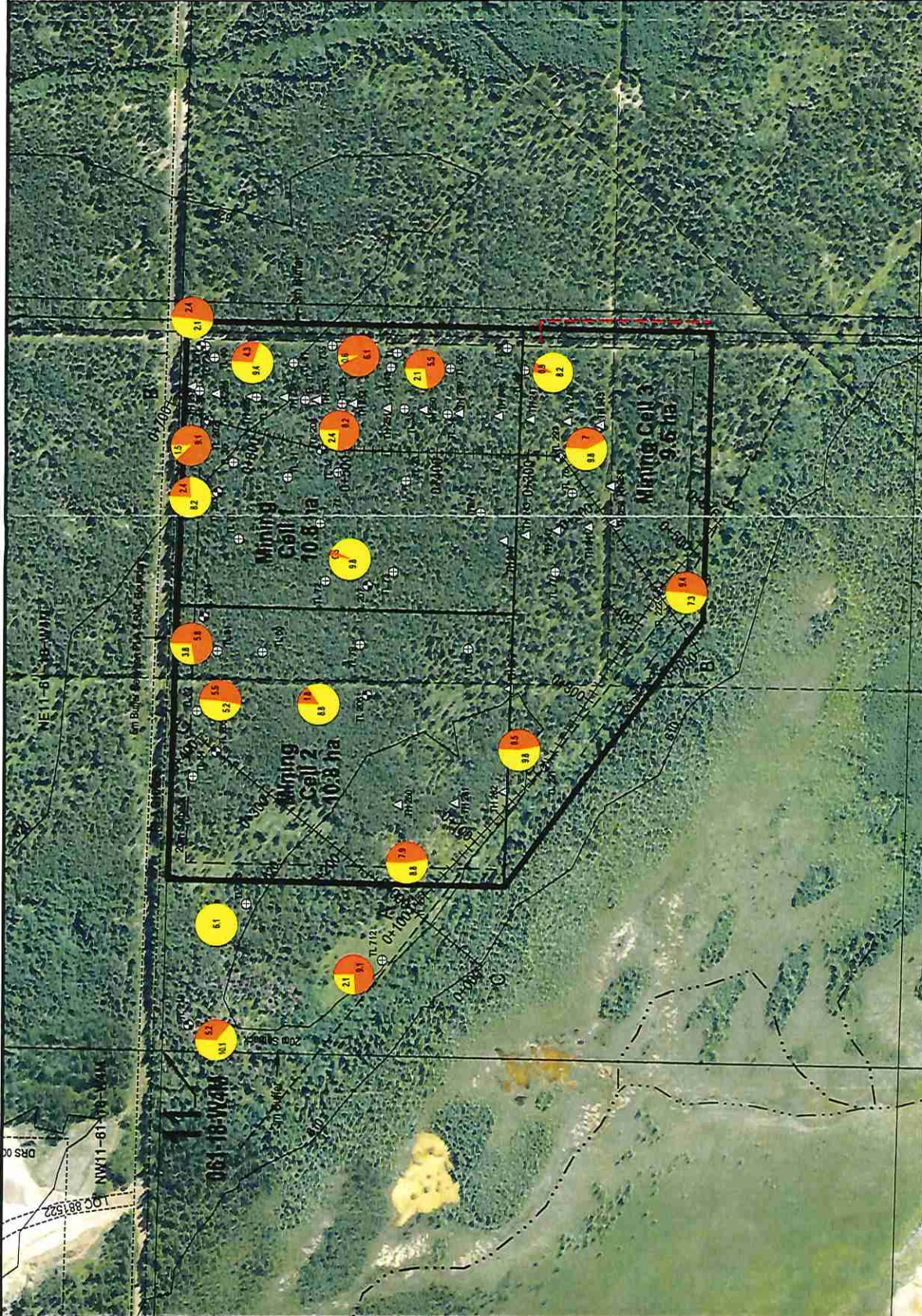
LEGEND:
 SML Boundary
 Planned Access Road
 Mining Cells Boundaries
 Contline
 Stream
 TL 219
 TL 25/Δ
 TL 35/⊕
 TL 24
 TL 12
 Test Hole Data (auger)
 Client Provided Test Data (TL Series - Auger, TH Series - Hoe)
 Pit shows % gravel (orange) and % sand (yellow) in selected test holes; Numbers indicate the thickness in metres
 Pipeline Right of Way
 620
 Contour Lines (10m Intervals)

TOR Land Resource Inc.

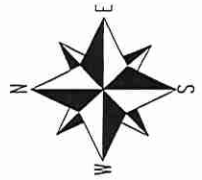
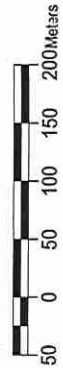
Suite 128, 11230-04 Ave.
Edmonton AB T5K 2J8
Tel 780 550 0012 (Ext)
403 804 8766 (Cell)
MO 780 914 5031
Fax 780 550 0280

Drawn by: M. Parseyan
H. D. Budney
Checked by: VM. Tolstensen
July 2011

Revision No.	Revision	Date
1	Updated areas to match survey plan; Updated soil stratigraphy; Revised CC' reclaimed cross section	Feb. 2012
2	Updated areas to match survey plan; Revised AA', BB' and CC cross section	October 2012



SCALE : 1:5000



Notes:

- The width of the unexcavated seiback is based on the estimated maximum depth of the excavation using the following formula:

$$[width] = [(desired\ slope/2) \times maximum\ depth\ of\ excavation]$$
- The estimated average maximum depth of the excavation is 13m resulting in a 20m seiback to create 3:1 internal slopes along the property line. Seiback will be decreased where the excavation is shallower. Seiback will not be encroached unless sufficient other material (overburden and reject) is available to meet the sloping requirements.

**Conservation and Reclamation
Business Plan
Surface Material Lease
SML 110026**

Legal Land Description: Within SE1/4
Sec11, Twp61, Rge18, W4M
Area of Lease: 32.32 hectares (79.86 acres)
Lease Holder: Bill Phillips
Box 302
Boyle, AB T0A 0M0
Tel: (780) 689-1443

Dwg. No. 3

DRAWINGS
Dwg. No. 1 : Site Location
Dwg. No. 2 : Existing Site/Planned Development
Dwg. No. 2A : Existing Site/Planned Development
Dwg. No. 3 : Development Sequencing
Dwg. No. 4A : Cross-Section Profiles
Dwg. No. 4B : Cross-Section Profiles
Dwg. No. 5 : Pit Face Profiles
Dwg. No. 6 : Planned Reclamation

LEGEND:

- Active & inactive pit faces
- 20 m Setback (Optional - see explanation in section 8.4)
- Aggregate stockpiles & processing area
- Soil stockpiles
- Overburden stockpiles
- Mining Cell areas
- Stripped of trees, vegetation, soil and overburden
- Progressively reclaimed - overburden directly placed, screening placed, contouring, soil replaced
- Reclaimed - soils is replaced, growth of vegetation is monitored, weeds controlled

TOR Land Resource Inc.

Suite 138, 11280-104 Ave.
Edmonton, AB T5K 2Z8
Tel: 780 990 0712 (Ext)
403 804 8766 (Cell)
403 780 914 8331
Fax: 780 990 0280

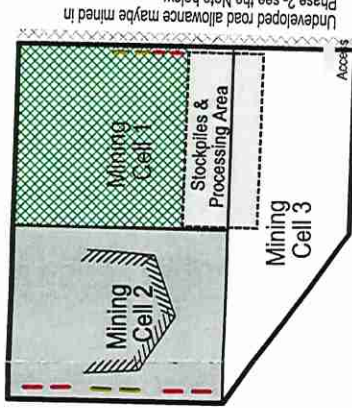
Drawn by: M. Paterson
H. D. Bowney
Checked by: VM. Torstensen

July 2011

Revision No.	Revision	Date
1	Updated areas to match survey plan; Updated soil stratigraphy; Revised CC' reclaimed cross-section	Feb. 2012
2	Updated areas to match survey plan; Revised AA', BB' and CC' cross section	November 2012

PHASE 2 (3 to 5 years)

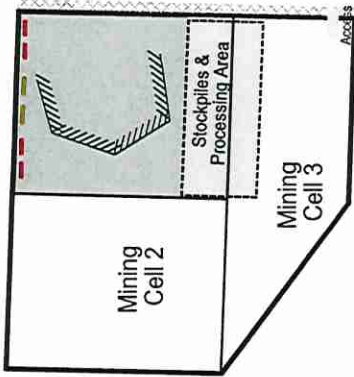
- Strip & pile separately, the topsoil then subsoil followed by sand overburden along west side of cell 2
- Excavate mining cell 2
- Road allowance on the east side of the SML may be mined in this phase
- Progressively reclaim extracted areas in mining cell 1



Note:
The lease holder is pursuing approvals from Alberta Transportation and Smoky Lake County to mine through the undeveloped road allowance along the east side the SML in Phase 2

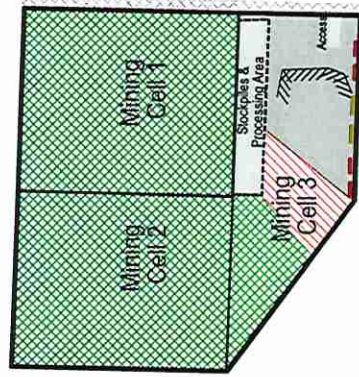
PHASE 1 (3 to 5 years)

- Clear trees & vegetation in all mining cells
- Strip & pile separately, the topsoil then subsoil followed by sand overburden along north side of cell 1
- Excavate mining cell 1
- Start progressively reclaiming the extracted areas in mining cell 1



PHASE 3 (4 to 5 years)

- Strip & pile separately, the topsoil then subsoil followed by sand overburden along south side of cell 3
- Excavate mining cell 3 and as much of the access area as practical
- Progressively reclaim extracted areas in mining cell 2
- Finish reclaiming the entire site



DEVELOPMENT SEQUENCE

Site Preparation Phases 1 to 2:

- Develop access road in the undeveloped government road allowance
- Clear trees, salvage top of conifers for seed distribution during reclamation and salvage merchantable timber
- Pile remaining woody debris (including stumps and limbs) in linear piles within setback for later rollback

Excavation and Progressive Reclamation Phases 1 to 3:

- Strip topsoil (including duff layer) and pile in linear piles in setback of active cell or over woody debris piles
- Strip subsoil and store in linear piles in setback of active cells
- Strip overburden and pile in setback of mining cell
- Begin excavation
- Contour slopes and replace soils in order (subsoil first then cover with topsoil) in completed areas where no further disturbance will occur. Roll back woody debris.
- Repeat above sequence until the resource is exhausted in all mining cells
- where there is opportunity during progressive development, transplant early growth native species that revegetate by natural succession in unmined areas

FINAL RECLAMATION Phase 3:

- Decompact (rip) access road, stockpile and processing areas, and any other compacted areas of the reclaimed site
- Replace remaining subsoil followed by topsoil and roll back woody debris
- Revegetate through tree planting combined with natural regeneration from the soil seed bank and natural succession.
- Monitor recovery and supplement natural regeneration if necessary by seeding with an approved mixture and/or planting native species
- The end land use is suitable for wildlife habitat.

**Conservation and Reclamation
Business Plan
Surface Material Lease
SML 110026**

Legal Land Description: Within SE1/4
Sec11, Twp8S1, Rge18, W4M
Area of Lease: 32.32 hectares (79.86 acres)
Lease Holder: Bill Phillips
Box 302
Boyle, AB TOA 0M0
Tel: (780) 689-1443

Dwg. No. 4A

DRAWINGS

- Dwg. No. 1 : Site Location
- Dwg. No. 2 : Existing Site/Planned Development
- Dwg. No. 2A : Existing Site/Planned Development
- Dwg. No. 3 : Development Sequencing
- Dwg. No. 4A : Cross-Section Profiles
- Dwg. No. 4B : Cross-Section Profiles
- Dwg. No. 5 : Pit Face Profiles
- Dwg. No. 6 : Planned Reclamation

LEGEND:

- Undisturbed Soil
- Gravel
- Sand
- Replaced Soil
- Replaced Overburden and Elimination
- Test Holes
- TL 215
- SML Boundary
- 3m Buffer
- 15m Setback
- Pipeline RW

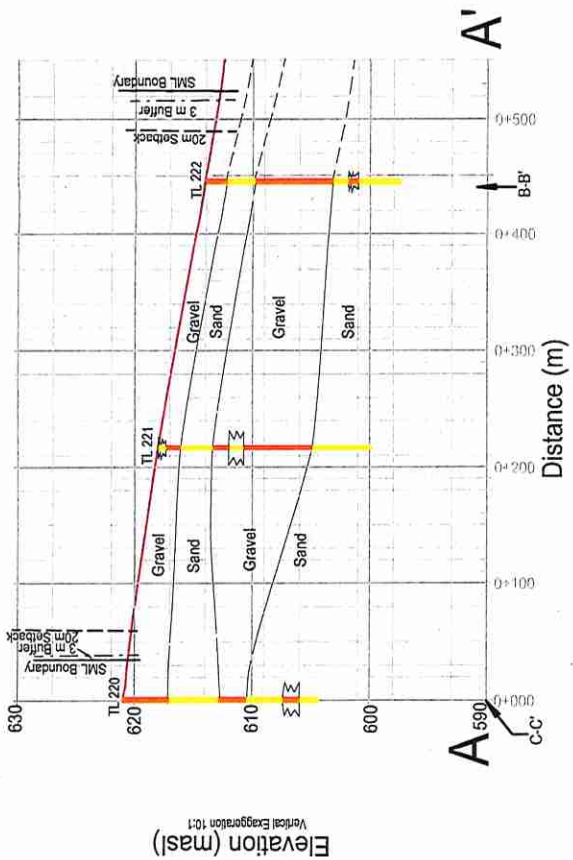
TOR Land Resource Inc.

Suite 128, 11280-104 Ave.
Edmonton, AB T5H 2T8
Tel: 780 854 2792
Fax: 780 854 8755 (Cell)
Mob: 780 914 9531
E-mail: 780 590 0290

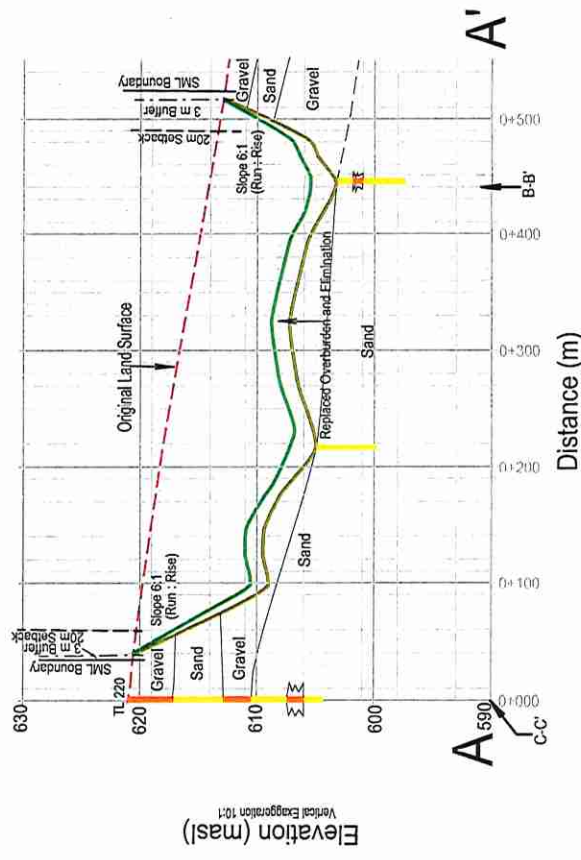
Drawn by: M. Parsevyan
H. D. Buidney
Checked by: VM. Torstensen

July 2011

Revision No.	Revision	Date
1	Updated areas to match survey plan, updated soil stratigraphy, and CC - reclaimed cross section	Feb. 2012
2	Updated areas to match survey plan; Revised AA', BB' and CC' reclaimed cross section	October 2012



Existing
Elevation (masl)
Vertical Exaggeration 10:1



Reclaimed
Elevation (masl)
Vertical Exaggeration 10:1

EXISTING STRATIGRAPHY

Topsoil (A-Horizon): 15cm
Subsoil (B-Horizon): 60cm B-Horizon
Gravel: in a sand matrix, 1.2 to 9.1m (average 4.8m); lenses of sand overburden may occur within the gravel unit (0.6m thick; TL219, 222)
Sand: 0.6 to 2.7m (average 1.6m)
Gravel: in a sand matrix, 3.7 to 8.8m (average 4.8m); lenses of sand may occur within this unit (1.5 to 3m thick TL 220, 221)
Sand: containing thin, discontinuous gravel lenses

RECLAIMED STRATIGRAPHY

Topsoil (A-Horizon): variable thickness (average 0.15 m) sand
Subsoil (B-Horizon): 60cm
Replaced Overburden and Screenings: at least 1.5m of overburden and elimination
Sand: containing thin, discontinuous gravel lenses

**Conservation and Reclamation
Business Plan
Surface Material Lease
SML 110026**

Legal Land Description: Within SE1/4
Sec11, Twp61, Rge18, W4M
Area of Lease: 32.32 hectares (79.86 acres)
Lease Holder: Bill Phillips
Boyle, AB TOA 0M0
Tel: (780) 689-1443

Dwg. No. 4B

DRAWINGS
Dwg. No. 1 : Site Location
Dwg. No. 2 : Existing Site/Planned Development
Dwg. No. 2A : Existing Site/Planned Development
Dwg. No. 3 : Development Sequencing
Dwg. No. 4A : Cross-Section Profiles
Dwg. No. 4B : Cross-Section Profiles
Dwg. No. 5 : Pit Face Profiles
Dwg. No. 6 : Planned Reclamation

LEGEND:

- Undisturbed Soil
- Gravel
- Sand
- Replaced Soil
- Replaced Overburden and Elimination
- Test Holes
- TL 215
- SML Boundary
- 3m Buffer
- 15m Seaback
- Pipeline RW

TOR Land Resource Inc.

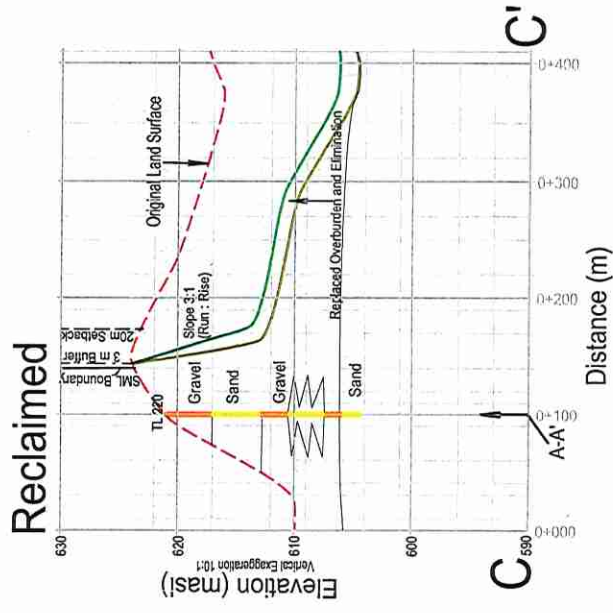
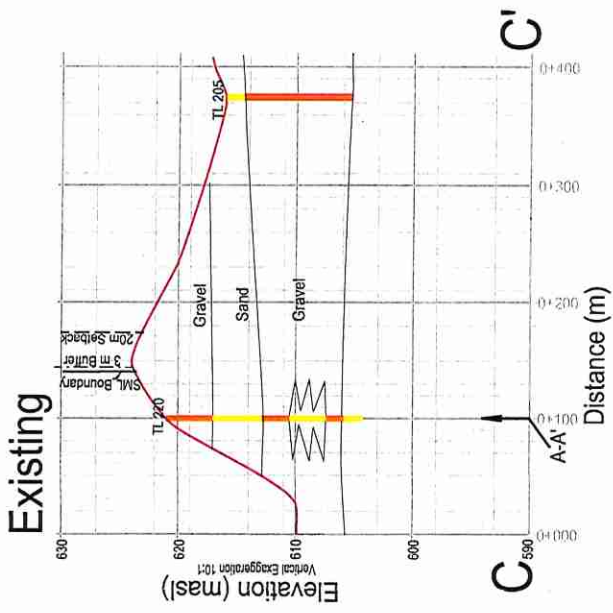
Suite 128, 11290-104 Ave.
Edmonton, AB T5C 2P8
Tel: (780) 520 2012 (Ext)
403 804 8768 (Cell)
Mob: 780 914 5531
Fax: 780 590 0280

Drawn by: M. Pradyan
H. D. Buidney

Checked by: VM. Torlensen

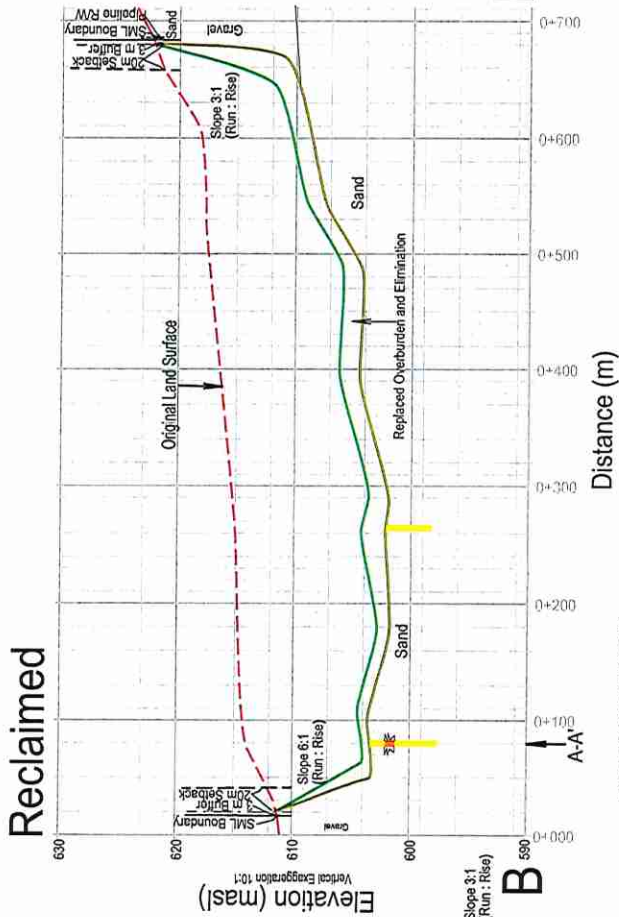
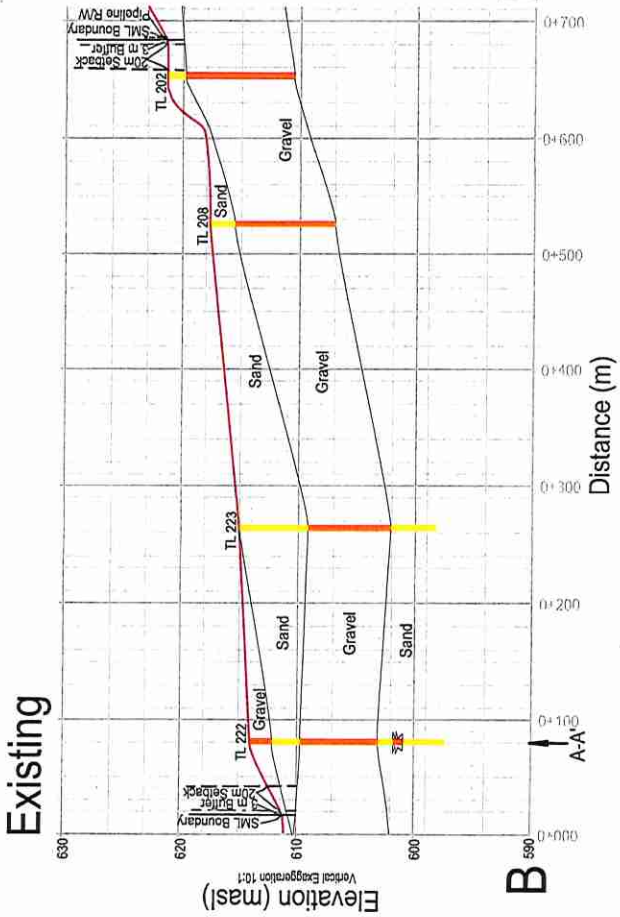
July 2011

Revision No.	Revision	Date
1	Updated areas to match survey plan as per stratigraphy. Revised CC retained cross section	Feb. 2012
2	Updated areas to match survey plan. Revised AA, BB, and CC cross section	October 2012



RECLAIMED STRATIGRAPHY

Topsail (A-Horizon): variable thickness (average 0.15 m) sand
Subsoil (B-Horizon): 60cm
Replaced Overburden and Screenings: at least 1.5m of overburden and elimination
Sand: containing thin, discontinuous gravel lenses



EXISTING STRATIGRAPHY

Topsail (A-Horizon): 15cm
Subsoil (B-Horizon): 60cm
Gravel: in a sand matrix, 1.2 to 9.1m (average 4.8m); lenses of sand overburden may occur within the gravel unit (0.6m thick; TL219, 222)
Sand: 0.6 to 2.7m (average 1.6m)
Gravel: in a sand matrix, 3.7 to 8.5m (average 4.8m); lenses of sand may occur within this unit (1.5 to 3m thick TL 220, 221)
Sand: containing thin, discontinuous gravel lenses

**Conservation and Reclamation
Business Plan
Surface Material Lease
SML 110026**

Legal Land Description: Within SE 1/4
Sec 11, Twp 61, Rge 18, W4M
Area of Lease: 32.32 hectares (79.86 acres)
Lease Holder: Bill Phillips
Boyle, AB TOA 0M0
Tel: (780) 689-1443

DWG. No. 5
DRAWINGS
Dwg. No. 1 : Site Location
Dwg. No. 2 : Existing Site/Planned Development
Dwg. No. 2A : Existing Site/Planned Development
Dwg. No. 3 : Development Sequencing
Dwg. No. 4A : Cross-Section Profiles
Dwg. No. 4B : Cross-Section Profiles
Dwg. No. 5 : Pit Face Profiles
Dwg. No. 6 : Planned Reclamation

LEGEND:

TOR Land Resource Inc.

Suite 128, 11230-104 Ave.
Edmonton AB T5K 2Y3
Tel: 780 990 0012 (Ext)
403 894 8756 (Cell)
Mob: 780 514 8531
Fax: 780 990 0280

Drawn by: M. Parsevyan
H. D. Budney

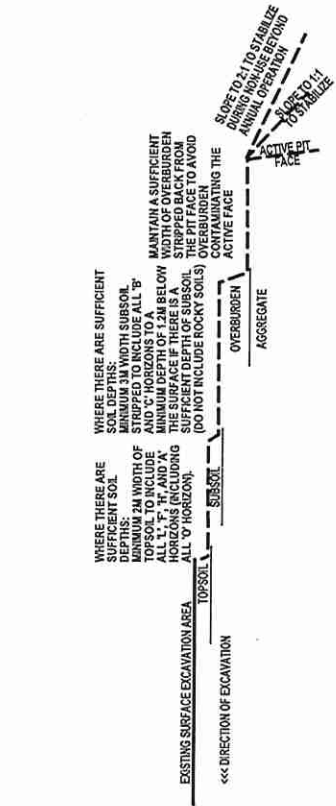
Checked by: VM. Torstensen

July 2011

Revision No.	Revision	Date
1	Updated areas to match survey plan; Updated soil stratigraphy; Revised CC' reclaimed cross section	Feb. 2012
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PROFILE -- ACTIVE PIT FACE

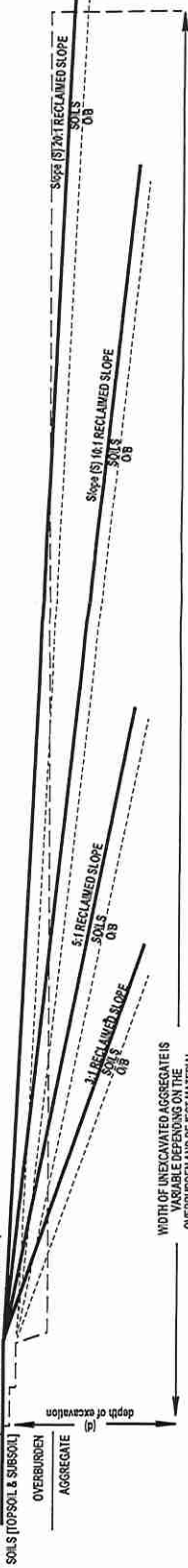
- AS THE ACTIVE PIT FACE APPROACHES PROPERTY, APPROVAL, AND RIGHT-OF-WAY BOUNDARIES:
- A MINIMUM 3M UNDISTURBED BUFFER BETWEEN THE EXCAVATION AND RIGHT-OF-WAYS AND WELL SITE LEASES.
- AN ADDITIONAL 2M BUFFER WHERE THERE ARE TREE BOUNDARIES OR BUFFERS MAY BE LEFT UNEXCAVATED (2M CLEARED BUT UNSTRIPPED) TO PROTECT THE TREE ROOT ZONE OF THE UNDISTURBED BUFFER
- SUFFICIENT UNEXCAVATED GRAVEL TO CONTOUR TO THE REQUIRED RECLAIMED SLOPES (SEE BELOW, "PROFILE -- RECLAIMED SLOPES").



PROFILE -- RECLAIMED SLOPES

FOR CONSTRUCTION OF SLOPES OF THE RECLAIMED SITE:
WHERE EXCESS OVERBURDEN MATERIAL AND REJECT IS NOT AVAILABLE TO CONSTRUCT THE REQUIRED RECLAIMED SLOPE
-- AGGREGATE MATERIAL LEFT UNEXCAVATED FOR A HORIZONTAL DISTANCE OF (SLOPE RATIO / 2) TIMES THE DEPTH OF THE EXCAVATION WILL PROVIDE SUFFICIENT AGGREGATE MATERIAL FOR CONSTRUCTING THE SLOPE.

WHERE SOIL DEPTHS ARE AVAILABLE RECLAIMED SLOPES:
-- TOPSOIL: 'T', 'F', 'H' AND 'A' HORIZONS;
-- SUBSOIL: 'B' AND 'C' HORIZONS TO A MINIMUM DEPTH OF 1.5M;
-- SOIL DEPTHS LESS THAN 1.5M ARE NOT AVAILABLE TO A DEPTH OF 1.5M RECLAIM WITH A MAXIMUM DEPTH OF 1.5M;
WHERE MATERIAL IS AVAILABLE (WHERE LESS THAN 1.5M AVAILABLE, THEN MAXIMUM AVAILABLE)



width of unexcavated area (w) = S/2 X d
SCALE: VERTICAL TO HORIZONTAL 1:1

Notes:
-- On Deeded Land, the difference in sloping requirements at the property boundary (outer slopes) compared to the inner slopes (within the property) is that the slope required is 3:1 or gentler adjacent to property boundaries, whereas the inner slopes (within the property) are to be sloped so as to maintain the adjacent land use (typical examples are 10:1 or gentler adjacent to a cultivated field producing annual crops; 5:1 or gentler adjacent to forage crops).
-- On Crown Land, all slopes are 3:1 or gentler.
-- On Deeded Land, where possible, all slopes are reclaimed to 5:1 or gentler to minimize erosion and to allow for machinery to move and work the slope.
-- Where a water body is constructed, specific sloping design criteria are required under the EPEA and the Water Act, and, if required, are described in the Plan herein (see "Water Body Design Criteria").

Examples:
For a slope (S) of 10:1, the width of the unexcavated area between the final pit face and the top of the constructed slope is
 $[w] = [S/2 X d]$
for a slope of 3:1 >> 1.5d;
for a slope of 4:1 >> 2.0d;
for a slope of 5:1 >> 2.5d;
for a slope of 10:1 >> 5.0d.

**Conservation and Reclamation
Business Plan
Surface Material Lease
SML 110026**

Legal Land Description: Within SE1/4
Sec11, Twp61, Rge18, W4M
Area of Lease: 32.32 hectares (79.86 acres)
Lease Holder: Bill Phillips
Box 302 Boyle, AB T0A 0M0
Tel: (780) 689-1443

Dwg. No. 6

- DRAWINGS**
 Dwg. No. 1 : Site Location
 Dwg. No. 2 : Existing Site/Planned Development
 Dwg. No. 2A : Existing Site/Planned Development
 Dwg. No. 3 : Development Sequencing
 Dwg. No. 4A : Cross-Section Profiles
 Dwg. No. 4B : Cross-Section Profiles
 Dwg. No. 5 : Pit Face Profiles
 Dwg. No. 6 : Planned Reclamation

LEGEND:

- SML Boundary
- Undisturbed Soil
- Reclaimed
- Direction of Surface Drainage
- 3m Buffer
- 15m Setback
- Pipeline RW

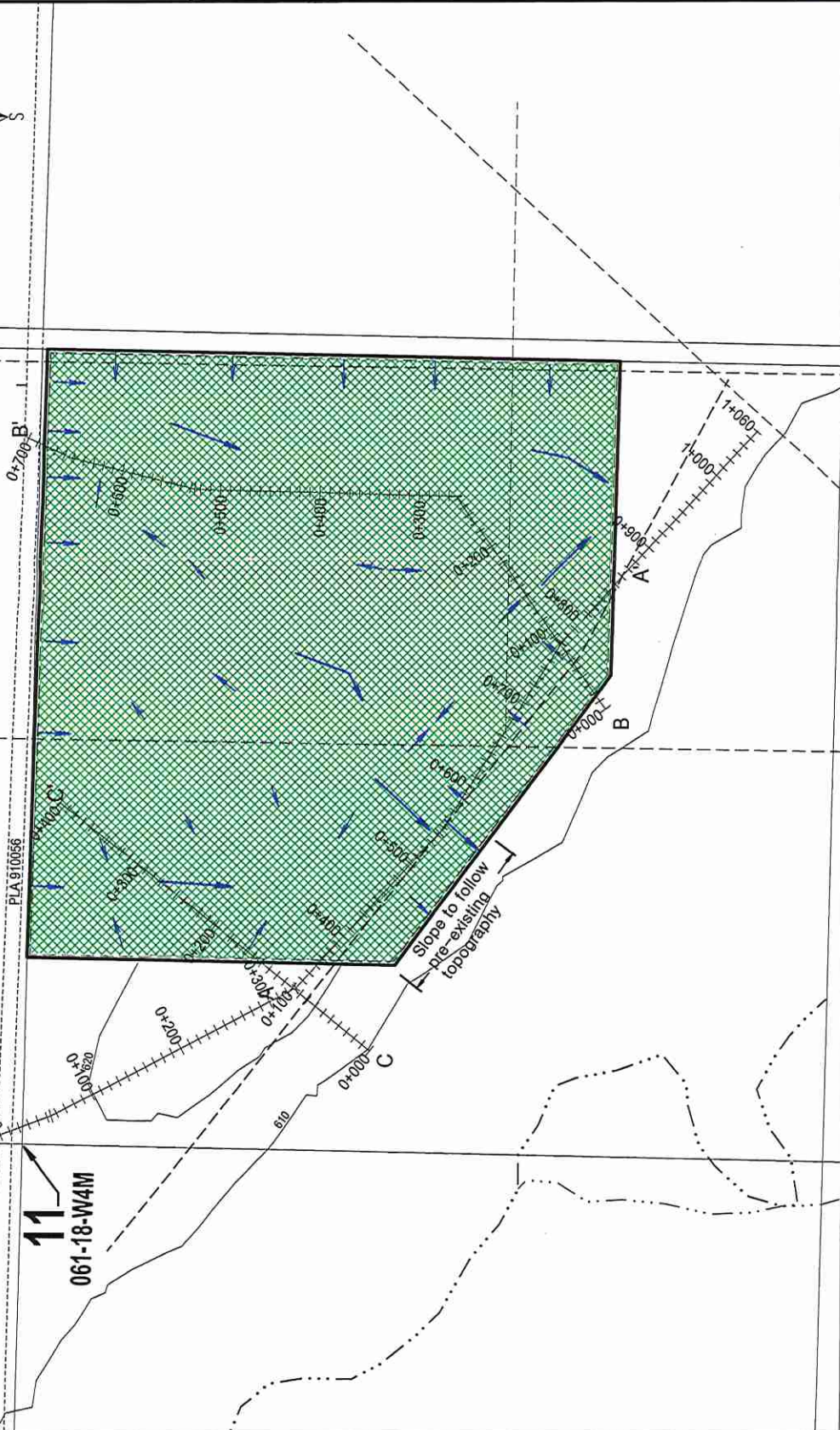
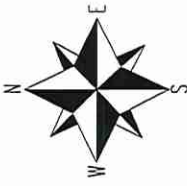
TOR Land Resource Inc.

Suite 108 - 1129-104 Ave.
Edmonton, AB T5K 2J8
Tel: 780 980 0012 (Ext)
403 804 8766 (Cell)
Mob: 780 914 8531
Fax: 780 980 0080

Drawn by: M. Prassevan
H. D. Buhney
Checked by: VM. Torstensen

July 2011


Revision No.	Revision	Date
1	Updated areas to match survey plan; Updated soil stability; Revised CC' reclaimed cross-section	Feb. 2012
2	Updated areas to match survey plan; Revised AA', BB' and CC' cross section	October 2012



Notes:

- All reclaimed slopes except the partial daylighted slope will be contoured to 3:1 or gentler as indicated on Dwg. 4A, 4B, 5 and 6. Slopes of 6:1 are planned for the western and southern SML boundaries. The partial daylighted slope will be shaped to conform to the existing topography. The topography of the reclaimed site will be variable and undulating so that a diverse wildlife habitat will develop.
- Soils will be replaced to a variable thickness to encourage biodiversity. Woody debris will be rolled back to provide surface roughness and a variety of microsites for plant establishment.
- SML 110026 lies within the Central Mixedwood Subregion of the Boreal Forest Natural Region (15). The vegetation is dominated by mature spruce (70%). The forest is mixedwood ("CD" 70-50% coniferous trees). The ratio of spruce to pine is estimated at 4 to 1 and the ratio of aspen to other deciduous trees is estimated at 9 to 1.
- Most drainage will be subsurface rather than overland flow.

THIS IS EXHIBIT "QQ" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20, 2025



ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-11

Mantle Materials Group, Ltd., previously JMB Crushing Systems Inc.
P.O. Box 6977
Bonnyville, AB T9N 2H4

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

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

(Collectively hereafter referred to as the "Parties")

WHEREAS JMB Crushing Systems Inc. ("JMB") operated a gravel pit (the "Havener Pit") on lands legally described as NW-16-056-7 W4M (the "Lands") in the County of St. Paul No. 1, in the Province of Alberta;

WHEREAS on May 1, 2021, as part of the restructuring of JMB and 2161889 Alberta Ltd. ("216") under the *Companies Creditors Arrangement Act*, JMB, 216 and Mantle Materials Group, Ltd. amalgamated and continued as Mantle Materials Group Ltd. ("Mantle");

WHEREAS Byron Levkulich and Aaron Patsch are former Directors of JMB and 216, and are current Directors of Mantle;

WHEREAS Lynne Havener and Gail Havener own the Lands on which the Havener Pit is located ("Landowners");

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

WHEREAS Mantle holds registration no. 17395-01-00 for the Havener Pit in accordance with section 3.1.1 of the Code of Practice for Pits to commence an activity at a pit;

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

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

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

WHEREAS Mantle is an “operator” as section 134(b)(i) and (vii) in the *Act* defines an operator as a registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration and is a person(s) who acts as principal or agent of a person(s) referred to in any of subclause (i) to (vi);

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

WHEREAS on July 14, 2023, Mantle commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*;

WHEREAS the Inspector is of the opinion that Mantle’s financial resources and intention to reclaim the Havener Pit are in question given that Mantle is the successor corporation of JMB and 216 that were restructured in 2021 and more recently in 2023, Mantle commenced restructuring proceedings;

WHEREAS on September 1, 2023, EPA conducted a site inspection of the Havener Pit and observed stockpiles of marketable and reject aggregate material in the Havener Pit. The Havener Pit’s footprint has not increased as it appears no mining has taken place since 2021.

WHEREAS during EPA’s September 1, 2023 inspection it was observed that only an area of approximately 1 acre along the west side of the Havener Pit has been recontoured. No other reclamation activity had taken place.

WHEREAS Colette Strap, Environmental Protection Officer, North Region (the “Inspector”) has been designated as an Inspector for the purposes of issuing Environmental Protection Orders under section 140 the *Act*

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

THEREFORE, I Colette Strap, Inspector, Northern Region, pursuant to section 140 of the *Act*, DO HEREBY ORDER:

1. Mantle shall complete the following actions on the Havener Pit on or before October 31, 2023:

- a. place overburden materials within the Havener Pit and create the base for the subsoil and topsoil placement by contouring the Havener Pit with reject material and other soil materials available for reclamation;
 - b. establish grade and contour across the Havener Pit so that:
 - i. internal slopes range from 10:1 to 6:1 and no slope is greater than 6:1 as shown in the 2021 Updated Activities Plan, Appendix A – Figure 1,
 - ii. side slopes are no steeper than 3:1 as shown in 2021 Updated Activities Pan, Appendix A – Figure 1,
 - iii. the material along the common boundary between the Havener Pit's north-east boundary and the Shankowski Pit's west boundary are to have slopes no steeper than 3:1,
 - iv. surface water drainage is to be directed to drain as shown in 2021 Updated Activities Plan Appendix A - Conceptual Reclamation Map,
 - v. the access road to the wellsite located south-east of the Havener Pit is not to be contoured but left in place;
 - c. rip the subsoil in the Havener Pit to alleviate compaction; and
 - d. place a depth of 8 cm of topsoil over the Havener Pit.
2. Mantle shall complete the following actions on or before October 31, 2023:
- a. revegetate the Havener Pit with a seed mix that is consistent with pastureland and in accordance with the Landowner's request.
3. Mantle shall complete the following actions on or before October 31, 2023:
- a. monitor and maintain the Havener Pit:
 - i. slopes to prevent erosion,
 - ii. for weeds by applying herbicide for control,
 - iii. vegetation: for vigor, health, cover, density, height and yield.
4. Mantle must apply for a reclamation certificate as per Section 134 of the *Act* by January 1, 2024.
5. Mantle shall submit progress updates to the Inspector on November 30, 2023, June 30, 2024 and January 1, 2024, that include a detailed summary of all reclamation activities and/or monitoring activity undertaken at the Havener Pit.

DATED at the Town of Vegreville in the Province of Alberta, this 21st day of September 2023.



Colette Strap, Inspector
Regulatory Assurance Division-North

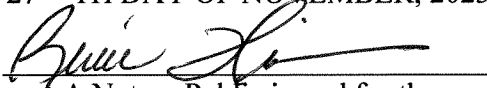
Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board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

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

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

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

THIS IS EXHIBIT "RR" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023



A Notary Public in and for the
State of Colorado

RHONDA RENEÉ HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

Clerk's Stamp:

COURT FILE NUMBER

COURT

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

COURT OF KING'S BENCH OF ALBERTA

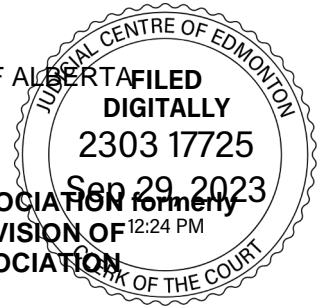
EDMONTON

PATHWARD, NATIONAL ASSOCIATION formerly
known as CRESTMARK, A DIVISION OF
METABANK, NATIONAL ASSOCIATION

RLF CANADA HOLDINGS LIMITED

STATEMENT OF CLAIM

Dentons Canada LLP
2500 Stantec Tower
10220 – 103 Avenue
Edmonton, Alberta T5J 0K4
Ph. (780) 423-7325 Fx. (780) 423-7276
Attention: Nicholas C. Williams
File No.: 590994-8/NCW



NOTICE TO DEFENDANT

You are being sued. You are a defendant.

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

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. The Plaintiff, Pathward, National Association formerly known as Crestmark, a division of MetaBank, National Association ("**Pathward**"), is an United States bank with a main office in Sioux Falls, South Dakota, which carries on some business in or near Edmonton, Alberta.
2. The Defendant, RLF Canada Holdings Limited ("**RLF**"), is a corporation incorporated pursuant to the laws of the State of Colorado, in the United States of America, with a principal office in Denver, Colorado.
3. Mantle Materials Group Ltd. ("**Mantle**"), is a corporation incorporated pursuant to the laws of the Province of Alberta, with a head office in Edmonton, Alberta. RLF owns 100% of the voting shares of Mantle.
4. RLF has granted a Corporate Guarantee in favour of Pathward, which contract was made in Alberta and is governed by the law of Alberta. There is a real and substantial connection between Alberta and the facts on which RLF's claim against RLF is based.

5. Mantle borrowed money from Pathward which it agreed to repay to Pathward with interest. As a result of such borrowing, Mantle is indebted to Pathward as follows:
 - a. \$544,408.61, as at August 18, 2023, plus interest thereon and thereafter at the rate of 4.55% per annum above the prime rate of interest maintained by Canadian Imperial Bank of Commerce from time to time ("**Prime**"); and
 - b. legal costs on a solicitor and its own client, full indemnity basis;(all sums payable to Pathward in paragraphs (a) – (b) above are herein collectively referred to as the "**Mantle Indebtedness**").
6. On or about June 6, 2022, RLF granted to Pathward a Corporate Guarantee, guaranteeing to Pathward repayment of all indebtedness of Mantle to Pathward, including all legal costs on a solicitor and own client basis (the "**Guarantee**").
7. As a result of the Guarantee, RLF is indebted to Pathward for the Mantle Indebtedness, in the principal amount of \$544,408.61, plus interest from August 18, 2023 at the rate of 4.55% per annum above Prime, plus legal costs on a solicitor and its own client, full indemnity basis (the "**RLF Indebtedness**").

DEMANDS AND DEFAULTS

8. On July 14, 2023, Mantle filed a notice of intention to make a proposal under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
9. The Mantle Indebtedness is fully due, owing, and payable to Pathward.
10. On or about August 21, 2023, Pathward demanded payment of the RLF Indebtedness, but RLF has failed or neglected and continues to fail or neglect to pay the same.
11. The RLF Indebtedness is fully due, owing, and payable to Pathward.
12. By this Statement of Claim, Pathward does again demand payment of the RLF Indebtedness.
13. Pathward states that a dispute resolution process would not be beneficial and would not likely result in an agreement between the parties, or alternatively, there is a compelling reason why a dispute resolution process should not be attempted by the parties or in the alternative, engaging in a dispute resolution process would be futile.

Remedy sought:

14. An Order pursuant to Rule 11.25(2)(b) of the Alberta *Rules of Court*, permitting service on the Defendant, RLF Canada Holdings Limited, outside Canada, as there is a real and substantial connection between Alberta and the facts on which he claim is based.
15. Judgment against the Defendant, RLF Canada Holdings Limited, in the amount of \$\$544,408.61, plus interest from August 18, 2023 at the rate of 4.55% per annum above Prime.

16. Alternatively, interest on all sums due and owing to RBC pursuant to the *Judgment Interest Act*, RSA 2000, c J-1.
17. An Order waiving the requirement of the parties to participate in a dispute resolution process as contemplated by Rule 4.16 of the *Alberta Rules of Court*, AR 124/2010.
18. Costs on a solicitor and its own client, full indemnity basis, or such other basis as this Honourable Court deems just.
19. Such further and other relief as the nature of the case may require and this Honourable Court may deem just.

NOTICE TO THE DEFENDANTS

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

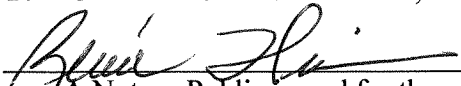
2 months if you are served outside Canada

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of King's Bench at **Edmonton**, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's(s)' address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.

THIS IS EXHIBIT "SS" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado

RHONDA RENÉE HICKMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214002513
MY COMMISSION EXPIRES JANUARY 20 2025

Clerk's Stamp

COURT FILE NO: 2303 17725

COURT COURT OF KINGS BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFFS PATHWARD, NATIONAL ASSOCIATION formerly known as
CRESTMARK, A DIVISION OF METABANK, NATIONAL
ASSOCIATION

DEFENDANT RLF CANADA HOLDINGS LIMITED

DOCUMENT STATEMENT OF DEFENCE OF RLF CANADA HOLDINGS
LIMITED

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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

Attention: Tom Cumming / Stephen Kroeger
Ph. (403) 298-1938 / (403) 298-1018
Fax: 403-263-9193
Email: tom.cumming@gowlingwlg.com /
stephen.kroeger@gowlingwlg.com
File No: A171561

Note: State below only facts and not evidence (Rule 13.6)

Statement of Facts relied on and matters that defeat the claim of the Plaintiff:

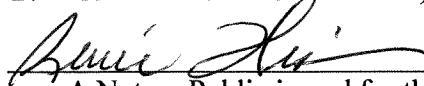
1. Unless expressly admitted, the Defendant, RLF Canada Holdings Limited (“**RLF**”) denies each and every allegation made in the Statement of Claim (the “**Claim**”) of the Plaintiff, Pathward, National Association formerly known as Crestmark, a division of MetaBank, National Association (collectively “**Pathward**”), and puts Pathward to the strict proof thereof.
2. RLF admits paragraphs 2 and 3 of the Statement of Claim.
3. RLF denies that Mantle Materials Group Ltd. (“**Mantle**”) is indebted to Pathward in the alleged amount of \$544,408.61 (the “**Mantle Indebtedness**”). If Mantle is indebted to Pathward, which is denied, then RLF denies that it is liable for the Mantle Indebtedness as alleged, or at all.
4. RLF denies that it owes any amounts in connection with the Mantle Indebtedness as alleged, or at all.
5. In the further alternative, and in further response to the whole of the Claim, , RFL states:

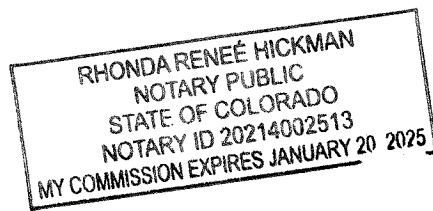
- (a) The Guarantee also included a postponement of claims (the “**Postponement**”) in favour of Pathward, and such Postponement is, by its terms, a separate and distinct agreement and constitutes a security agreement as defined under the provisions of the *Personal Property Security Act*, R.S.A. 2000, c. P-7, as amended (“**PPSA**”), and therefore as a secured party Pathward owes statutory and common law duties to RLF to exercise its rights in good faith and in a commercially reasonable manner. As the Postponement is a separate and distinct contract, the duties of Pathward to conduct itself in good faith and in a commercially reasonable manner are independent of the Guarantee and are not extinguished or limited in any way by the terms and conditions of the Guarantee;
 - (b) Pathward has adequate and sufficient security to recover any indebtedness from Mantle if it takes appropriate steps to realize its secured collateral under any security agreement in good faith and in a commercially reasonable manner;
 - (c) Pathward owes duties to RLF to account for its realizations in relation to Mantle by virtue of the Postponement and any security agreement; and
 - (d) Until such time as Pathward has accounted to RLF for its realizations against Mantle, and consistent with its obligations as a secured party under the terms of the Postponement, Pathward’s action is premature and ought to be stayed until such final accounting has been completed and received by RLF.
6. In response to paragraphs 6, 7, and 18 of the Claim, RLF denies that Pathward is entitled to costs on a solicitor and its own client, full indemnity basis.

Remedy Sought:

- 7. RLF asks that this action be dismissed with costs.
- 8. Such further and other relief as the Honourable Court may deem just and appropriate.

THIS IS EXHIBIT "TT" TO THE AFFIDAVIT
OF BYRON LEVKULICH SWORN ON THE
27TH TH DAY OF NOVEMBER, 2023


A Notary Public in and for the
State of Colorado



Clerk's Stamp

COURT FILE NUMBER _____

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

APPLICANT

MANTLE MATERIALS GROUP, LTD.

DOCUMENT

CONSENT TO ACT AS MONITOR

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, AB T2P 4K9
Attention: Sean Collins / Pantelis Kyriakakis
Phone: 403-260-3531 / 3536
Fax: 403-260-3501
Email: scollins@mccarthy.ca / pkyriakakis@mccarthy.ca

TAKE NOTICE THAT, FTI Consulting Canada Inc. hereby consents to act as court-appointed monitor in the within proceedings of Mantle Materials Group, Ltd., if so appointed by this Honourable Court.

DATED at the City of Calgary, in the Province of Alberta, this 27th day of November, 2023.

FTI CONSULTING CANADA INC.

Per:


Name: Dustin Olver, CA CPA CIRP LIT
Title: Senior Managing Director