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BANKRUPTCY ESTATE
NUMBER
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B301-009380
25-3009380

JUDICIAL CENTRE

COURT OF KING'S BENCH OF ALBERTA, IN
BANKRUPTCY AND INSOLVENCY
Calgary

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

APPLICANTS

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF ATHABASCA MINERALS
INC., AMI SILICA INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING LTD.,
2132561 ALBERTA LTD., and 2140534 ALBERTA LTD.
ATHABASCA MINERALS INC., AMI SILICA INC., AMI
AGGREGATES INC., AMI ROCKCHAIN INC.,
TERRASHIFT ENGINEERING LTD., 2132561 ALBERTA
LTD., and 2140534 ALBERTA LTD.

DOCUMENT

ORDER: Replacement Interim Financing

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

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File No. 318938.00024

DATE ON WHICH ORDER WAS PRONOUNCED: March 8, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice J.S. Little

UPON HAVING READ the application filed March 4, 2024 (the "**Application**") of Athabasca Minerals Inc. ("**AMI**"), AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., TerraShift Engineering Ltd., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. (together with AMI, the "**Applicants**"), for an order, among other things, authorizing the Applicants to obtain new interim financing from Badger Mining Corporation ("**Badger**"), authorizing AMI to repay

amounts owing to JMAC Energy Services LLC (“**JMAC**”) under its existing interim financing facility, and amending the Order of the Honourable Associate Chief Justice D.B. Nixon granted in these proceedings on December 12, 2023 (the “**First Order**”) to replace JMAC with Badger as the beneficiary of the Interim Lender’s Charge (as defined in the First Order);

AND UPON HAVING READ the Application, the Affidavit No. 4 of John David Churchill, sworn March 4, 2024, and the Exhibits thereto (the “**Fourth Churchill Affidavit**”), the Supplement to the Third Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Applicants (in such capacity, the “**Proposal Trustee**”), dated March 7, 2024 (the “**Supplemental Report**”), and the Affidavit of Service of Kim Picard sworn March 7, 2024, and the pleadings previously filed in the within proposal proceedings, including the First Order;

AND UPON HEARING the submissions of counsel for the Applicants, the Proposal Trustee, and such other counsel in attendance at the hearing of the Application, which occurred via WebEx video conference;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the notice of application for this Order is hereby abridged and deemed good and sufficient and this Application is properly returnable today.

REPLACEMENT INTERIM FINANCING AND CHARGE

2. The Applicants are authorized and empowered to borrow under an interim financing term sheet dated March 4, 2024 (the “**Second Interim Financing Term Sheet**”), attached as Exhibit “L” to the Fourth Churchill Affidavit, between the Applicants, as borrowers, and Badger Mining Corporation, as lender (in such capacity the “**Interim Lender**”). The Applicants are authorized and empowered to perform their obligations under the Second Interim Financing Term Sheet and to obtain and borrow under the Second Interim Financing Term Sheet, provided that borrowing under such interim revolving credit facility shall not exceed the principal amount of \$5,300,000.00 (the “**Second Interim Financing Facility**”).
3. From the Second Interim Financing Facility, AMI shall repay the amount of \$3,008,010.05, or such lesser amount as may be agreed upon by AMI and JMAC, which amount shall be at least \$3,004,519.00, in full and final satisfaction of all amounts owing to JMAC under

the Interim Financing Term Sheet previously approved by the First Order (the “**Interim Financing Payout**”).

4. Upon completion of the Interim Financing Payout contemplated in paragraph 3 above, all references to the “Interim Lender” in the First Order shall be deemed to be references to Badger, *nunc pro tunc*. For clarity, JMAC will cease to be the “Interim Lender” and will no longer be the beneficiary of the “Interim Lender’s Charge” upon receipt of the Interim Financing Payout, such beneficiary thereafter being Badger.
5. For the period of time between advance of the Second Interim Financing Facility and completion of the Interim Financing Payout, each of JMAC and Badger shall be and are hereby granted the benefits of the Interim Lender’s charge on a *pari passu* basis.
6. The Second Interim Financing Term Sheet is hereby approved and the Applicants are authorized and empowered to execute and deliver such mortgages, charges, hypothecs and security documents, and other definitive documents (such documents together with the Second Interim Financing Term Sheet, collectively, the “**Definitive Documents**”), as are contemplated by the Second Interim Financing Term Sheet or as may be reasonably requested by the Interim Lender pursuant to the terms thereof. The Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of the First Order or this Order.
7. In accordance with the terms of the Second Interim Financing Term Sheet, the Proposal Trustee is hereby expressly authorized and empowered to comply with the cash flow reporting requirements set-out in Paragraph 16 thereof, including to provide the Interim Lender bi-weekly reports confirming whether, during any preceding two-week period: (i) AMI Silica LLC has operated in accordance with the LLC Forecast (as defined therein), (ii) there has been a material change to the financial or operating circumstances of AMI Silica LLC, and (iii) AMI Silica LLC has suffered a material negative variance as described at paragraph 12(g) of the Second Interim Financing Term Sheet.
8. All of the Companies, the Interim Lender, and any ResidualCo created in the within Proposal Proceedings, shall hereby indemnify, save and hold the Proposal Trustee harmless

from and against, all losses, costs, expenses, liabilities, obligations, claims, actions, proceedings or demands, whatsoever and howsoever, suffered, sustained, paid or incurred, which arise from the Proposal Trustee providing the reporting information set forth in paragraph 7 of this Order, save and except for those arising due to their gross negligence, wilful misconduct, bad faith or fraud; provided, however, that any indemnity or other protection afforded to the Proposal Trustee as described herein shall expire and terminate immediately upon the Proposal Trustee's discharge as trustee from the within Proceedings (which for greater clarity includes the current Proposal Proceedings and any subsequent proceedings in which the Proposal Trustee is appointed as a trustee in bankruptcy). In no way does this indemnity derogate from the protections afforded to the Proposal Trustee pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, or otherwise at law.

9. The Amount secured by the Interim Lender's Charge provided at paragraphs 11 and 32 of the First Order is hereby increased from \$2,850,000.00 to \$5,300,000.00.

MISCELLANEOUS MATTERS

10. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Applicants and the Proposal Trustee, as the case may be, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

11. Service of this Order shall be deemed good and sufficient:
 - a. by serving same on the persons who were served with notice of this Application and any other parties attending or represented at the hearing of this Application; and
 - b. by posting a copy of this Order on the Proposal Trustee's website at: <https://www.ksvadvisory.com/experience/case/athabasca-minerals>.

12. Service of this Order on any other person is hereby dispensed with.
13. 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.

A handwritten signature in black ink, consisting of a stylized 'J' followed by a vertical line and a small flourish at the top.

Justice of the Court of King's Bench of Alberta