



B301-009380

COURT FILE NUMBER &
BANKRUPTCY ESTATE
NUMBER
COURT

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: Stay Extension & Litigation Schedule

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. (collectively, the "**Companies**"), for an order, among other things, confirming a litigation schedule with respect to hearing the Companies' Application filed February 26, 2024 (the "**Transaction Approval**

Motion) for approval of the transaction for the sale of substantially all of the Companies' Business and Property via a corporate share transaction (the "**Transaction**") to Badger Mining Corporation ("**Badger**") pursuant to a subscription agreement between the Companies and Badger dated February 9, 2024 (the "**Subscription Agreement**") and by way of a reverse vesting order ("**RVO**"), which hearing shall include a determination of whether the right of first refusal ("**ROFR**") contained in the Operating Agreement for AMI Silica LLC between AMI and JMAC Energy Services LLC ("**JMAC**") and asserted by JMAC in these Proposal Proceedings, is applicable to the Transaction;

AND UPON HAVING READ the Application, the Transaction Approval Motion, the Affidavit No. 3 of John David Churchill, sworn February 26, 2024 (the "**Third Churchill Affidavit**"), the Affidavit No. 4 of John David Churchill, sworn March 4, 2024, and the Exhibits thereto (the "**Fourth Churchill Affidavit**"), the Third Report of KSV Restructuring Inc. filed in its capacity as proposal trustee of the Applicants (in such capacity, the "**Proposal Trustee**"), dated February 29, 2024 (the "**Third Report**"), the Supplement to the Proposal Trustee's Third Report, 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;

AND UPON HAVING READ the cross-application filed February 29, 2024 (the "**Cross-Application**") by JMAC, for an order, among other things, to stay the Companies' Application for approval of the Transaction, to lift the statutory stay of proceedings imposed by the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, to allow JMAC to pursue litigation against AMI in the United States District Court, District of North Dakota, Western Division, and seeking declaratory relief that the ROFR applies to the Companies' proposed Transaction with Badger (the "**Declaratory ROFR Relief**"), and the Affidavits of Todd Erickson, sworn December 8, 2023, February 29, 2024, and March 6, 2024;

AND UPON HEARING the submissions of counsel for the Applicants, the Proposal Trustee, JMAC, and such other counsel in attendance at the hearing of the Application, which occurred in-person at the Edmonton Court House, in Edmonton, Alberta, with the option for parties to also appear 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.

EXTENSION AND STAY

2. The Applicants are granted an extension of 45 days, to April 22, 2024, to file a joint proposal to their creditors, under section 50.4(9) of the BIA.
3. The stay of proceedings in the within matter is extended by 45 days to and including April 22, 2024 (the “**Proposal Extension Date**”).

ADJOURNMENT OF CROSS-APPLICATION

4. With the exception of the Declaratory ROFR Relief, all of the other remedies and relief set forth in JMAC’s Cross-Application are hereby adjourned *sine die*.

LITIGATION SCHEDULE

5. The Companies’ request for approval of the Transaction in the Transaction Approval Motion and JMAC’s Cross-Application seeking the Declaratory ROFR Relief (together the “**Joint Hearing**”) are hereby adjourned together to be heard on April 19, 2024, in accordance with the schedule set forth in this Order. Notwithstanding the foregoing, the Joint Hearing may proceed at an earlier date subject to the consent of each of the Companies, JMAC and Badger, if such hearing is proceeding by way of consent.
6. The following dates apply for the filing and service of materials for the Joint Hearing:
 - a. the parties shall conduct cross-examinations on any affidavits previously filed in these Proposal Proceedings, in respect of the issues to be heard at the Joint Hearing on or before March 20, 2024;
 - b. the parties shall provide to each other any undertakings that may arise from those cross-examinations on or before March 22, 2024;
 - c. the parties shall file and serve any expert evidence in respect of the Joint Hearing that they intend to rely upon on or before March 22, 2024;
 - d. the parties shall conduct cross-examinations on any expert evidence filed and served by another party on or before March 29, 2024;

- e. JMAC shall file its brief, including legal authorities, in support of its Declaratory ROFR Relief and any response to the Companies' Transaction Approval Motion on or before April 5, 2024;
 - f. AMI and Badger shall file their briefs, including legal authorities, in response to JMAC's brief on or before April 12, 2024; and
 - g. the Proposal Trustee shall file any further reports respecting the Joint Hearing on or before April 15, 2024, if any.
7. With respect to subparagraphs 6(c) and 6(d) above, any party submitting expert evidence shall be limited to providing such evidence from one expert only.
8. No party shall be permitted to file any further affidavit evidence with respect to the Joint Hearing, except any affidavit evidence filed by an expert as contemplated by subparagraphs 6(c) and 6(d) above.

MISCELLANEOUS MATTERS

9. 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 Companies 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.
10. 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>.

11. Service of this Order on any other person is hereby dispensed with.
12. 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, cursive letter 'J' followed by a vertical line and a small flourish at the top.

Justice of the Court of King's Bench of Alberta