

COURT FILE NUMBER &
BANKRUPTCY ESTATE
NUMBER

25-3009380

COURT

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

JUDICIAL CENTRE

CALGARY

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

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

APPLICANT

ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT
ENGINEERING LTD., 2132561 ALBERTA
LTD., and 2140534 ALBERTA LTD.

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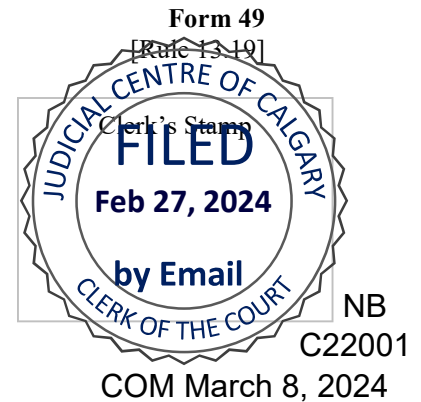
**AFFIDAVIT OF JOHN DAVID
CHURCHILL**

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File No. 318938.00024

AFFIDAVIT NO. 3 OF JOHN DAVID CHURCHILL



Sworn on February 26, 2024

I, John David Churchill, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the Chief Financial Officer (“**CFO**”) of the Applicant, Athabasca Minerals Inc. (“**AMI**”). I have been the CFO of AMI since May 2022. I am also a director of all of the Applicants, excepting AMI. I have over 33 years of financial experience including 15 years in oilfield services, aggregates, and the industrial minerals industry, focusing on financial and accounting management and corporate finance. I have personal knowledge of the matters to which I depose in this Affidavit, except where such matters are stated to be based on information and belief, in which case I have stated the source of my information and, in all cases, I believe such information to be true. In preparing this Affidavit, I consulted with the Companies’ management team and advisors and reviewed relevant documents and information concerning the Companies’ operations, financial affairs, and restructuring activities.
2. I previously swore three Affidavits in these proceedings on December 6, 2023 (my “**First Affidavit**”), December 8, 2023 (my “**Supplemental Affidavit**”) and January 15, 2024 (my “**Second Affidavit**”), which further set out the Companies’ Business and the background to these Proposal Proceedings. All capitalized terms used but not otherwise defined herein have the meaning given to them in my First Affidavit, Supplemental Affidavit or my Second Affidavit, as the case may be, or as in the Court-approved stalking horse sales and investment solicitation process (“**SISP**”), as the case may be.
3. I am authorized to swear this Affidavit as a corporate representative of the Companies.
4. All monetary references in this Affidavit are in Canadian dollars, unless otherwise stated.
5. Prior to the commencement of the within Proposal Proceedings, the Companies experienced inconsistencies in their revenue streams for several years. In an attempt to address these issues, the Companies engaged in a pre-filing strategic process in mid-2023 (the “**Pre-Filing Strategic Process**”). The successful bid was to be implemented by way

of a Court-approved plan of arrangement; however, the counterparty terminated the Arrangement Agreement prior to the Companies proceeding to a final meeting of shareholders for approval, as further detailed in my First Affidavit.

6. On November 13, 2023, AMI together with its affiliates AMI Silica Inc. (“**Silica**”), AMI Aggregates Inc. (“**Aggregates**”), AMI RockChain Inc. (“**RockChain**”), TerraShift Engineering Ltd. (“**TerraShift**”), 2132561 Alberta Ltd. (“**213**”), and 2140534 Alberta Ltd. (“**214**” and collectively with AMI, Silica, Aggregates, RockChain, TerraShift and 213 the “**Companies**”), each filed a notice of intention to make a proposal to their creditors pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) with the Office of the Superintendent of Bankruptcy (collectively the “**Proposal Proceedings**”). KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”) respecting the Proposal Proceedings.
7. On December 12, 2023, the Companies obtained an order from this Court (the “**First Order**”), which, amongst other things: i) extended the stay of proceedings and time to file a proposal to the Companies’ creditors up to and including January 26, 2024 (the “**Stay Period**”), ii) approved the SISP, iii) authorized the Companies to engage Canaccord Genuity Corp. to act as the sales advisor to the Companies for the purposes of the SISP (the “**Sales Advisor**”), iv) authorized the Companies to enter into an interim financing facility (the “**Interim Financing Facility**”) with JMAC Energy Services LLC (“**JMAC**”) acting as the debtor-in-possession lender, and v) approved several priority charges.
8. Subsequently, on January 26, 2024 this Court granted a further extension of the Stay Period up to and including March 11, 2024 (the “**Second Order**”).
9. The Court-approved SISP had a single phase and the deadline for final bids was January 31, 2024 (the “**Bid Deadline**”). JMAC acted as the stalking horse bidder (in such capacity, the “**Stalking Horse Bidder**”) in the SISP pursuant to certain terms and conditions as outlined in a non-binding term sheet (the “**Stalking Horse Bid**”). The purchase price under the Stalking Horse Bid was \$13 million.

10. The Sales Advisor received one Superior Bid by the Bid Deadline from Badger Mining Corporation (“**Badger**”). The Proposal Trustee held a run-off auction pursuant to the Court-approved SISP on February 9, 2024 (the “**Auction**”). Following 162 rounds of bidding in which Badger and JMAC each participated as Auction Bidders, Badger (in such capacity, the “**Purchaser**”) submitted the highest and best offer for the Companies’ Business and Property at the Auction with a purchase price in excess of \$29.2 million. Following the conclusion of the Auction, Badger was selected by the Companies and the Proposal Trustee, in consultation with the Sales Advisor, as the Successful Bidder. Further details regarding the Auction are set out below.

11. I swear this Affidavit in support of the Companies’ application for an order that, amongst other things:
 - (a) abridges the time for service of notice of this Application and the supporting materials, if necessary, and deems service thereof to be good and sufficient;
 - (b) extends the time by which the Companies may file a proposal to their creditors pursuant to the BIA, and the corresponding Stay Period for 45 days up to and including April 25, 2024 (the “**Stay Extension**”);
 - (c) approves the transaction for the sale of substantially all of the Companies’ Business and Property via a share transaction (the “**Transaction**”) to Badger pursuant to a subscription agreement between AMI and Badger dated February 9, 2024 (the “**Subscription Agreement**”);
 - (d) grants the proposed reverse vesting order (“**RVO**”) on substantially the same terms as those set out in the form of proposed order appended to the Companies’ application;
 - (e) approves certain relief required for the Transaction, including, amongst other things, the addition of a soon to be incorporated private Alberta numbered company (“**ResidualCo**”) as the debtor and Applicant to these Proposal Proceedings, the appointment of the first director of ResidualCo, and the removal of the Companies from the Proposal Proceedings;

- (f) approves certain releases; and
- (g) grants such further and other relief as the Companies may request and this Honourable Court may deem just.

12. I have been advised by the Proposal Trustee that it supports this application.

Sales Process Overview

13. As I previously stated above, on December 12, 2023, the Companies obtained approval from this Court to commence the SISP. The SISP was a single phase process conducted by the Sales Advisor, with final bids due on January 31, 2024, and the potential to hold the Auction on February 9, 2024.
14. The Stalking Horse Bid set the baseline price for the Companies' Business with a purchase price of \$13 million for all of the Companies' Business and Property, including AMI's 50% membership interest in AMI Silica LLC ("**AMIS LLC**"). The terms of the Stalking Horse Bid were detailed in a non-binding term sheet (the "**Stalking Horse Term Sheet**"), and included an Expense Reimbursement of \$200,000, payable to JMAC by the Companies in the event the Stalking Horse Bid was not the Successful Bid in the SISP (the "**Expense Reimbursement**").
15. The SISP was conducted by the Court-appointed Sales Advisor, Canaccord Genuity. I am informed by Andrew Birkby of the Sales Advisor's office, that they undertook the following actions to market the Companies' Business and Property pursuant to and in accordance with the SISP:
- (a) prepared a Teaser soliciting interest in the Opportunity;
 - (b) compiled a distribution list of potentially interested parties, comprising both strategic and financial investors, with the assistance of AMI and the Proposal Trustee;

- (c) undertook a broad marketing approach, reaching out to over 100 potential parties on such distribution list, and leveraging knowledge obtained during AMI's Pre-Filing Strategic Process;
 - (d) posted advertisements in the BOE Report on December 15, 2023, and in the Calgary Herald on December 19, 2023;
 - (e) assisted the Companies in the compilation of key diligence information and established a virtual data room ("VDR") for Qualified Bidders to conduct due diligence;
 - (f) executed non-disclosure agreements with 16 interested parties to provide access to the VDR;
 - (g) coordinated and participated in various management presentations with Qualified Bidders throughout the sales process;
 - (h) coordinated and participated in various site tours of the Hixton mine, located in Hixton Wisconsin, owned by AMIS LLC;
 - (i) reviewed and considered the bids received from each of Badger and JMAC, and discussed same with the Companies and Proposal Trustee; and
 - (j) assisted the Companies and the Proposal Trustee in the development of the Auction Rules, as further detailed below.
16. At the Bid Deadline, the Companies received definitive documents and the requisite confirming letter pursuant to and in accordance with the terms of the SISF from Badger, which documents represented a Superior Bid. The Sales Advisor did not receive any other Superior Bids by the Bid Deadline. JMAC submitted their own definitive documents just after midnight on February 1, 2024, and the requisite confirming letter on February 2, 2024, after the Bid Deadline passed. The Companies, in consultation with the Sales Advisor and

the Proposal Trustee, waived strict compliance with the SISP bid requirements in relation to the definitive documents provided by JMAC. A copy of each of Badger's confirming letter and JMAC's confirming letter are attached hereto as **Exhibits "A" and "B"** respectively.

17. The Companies, supported by the Sales Advisor and the Proposal Trustee, were of the opinion that the delay by JMAC was short natured and did not hinder the Companies' ability to review the bid received by Badger, and that the granting of the waiver therefore would not materially prejudice any other party to the SISP. The decision to grant the waiver was made in order to make the SISP process more competitive to maximize value for the Companies' stakeholders. Prior to the Auction, Badger was advised that such waiver had been provided to JMAC.
18. As a result of the foregoing, the Companies, in consultation with the Proposal Trustee and Sales Advisor, determined that the Auction would be held in accordance with the SISP. Prior to the Auction, the Companies, in accordance with the SISP, advanced and clarified the definitive documents of both JMAC and Badger to finalize the terms of their respective transaction documents. The Companies then provided the finalized definitive transaction documents and a net valuation of each bid for the Companies' estate, prepared in consultation with the Proposal Trustee, to both participants in the Auction to provide the opportunity for the parties to evaluate their overall bids. A copy of JMAC's proposed definitive documentation is attached hereto as **Exhibit "C"**. Further, a copy of Badger's proposed definitive documentation is attached hereto as **Exhibit "D"**.
19. Given the variations in transaction structures, coupled with the fact that Badger was not aware of JMAC's finalized transaction structure respecting its Stalking Horse Bid prior to the Bid Deadline, the Companies, in consultation with the Proposal Trustee and the Sales Advisor, developed the concept of a "Bid Value Differential". As compared to the Stalking Horse Bid, if Badger's bid resulted in an overall lower net value to the Companies' estate due to the treatment of certain claims, then Badger was given the opportunity to either i) revise the structure of its transaction, or ii) commit to providing additional cash consideration equal to the value differential, which was termed the Bid Value Differential.

Each of Badger and JMAC were advised of this proposed approach by a letter from the Companies' legal counsel sent on February 6, 2024. Attached hereto and marked as **Exhibit "E"** are copies of those letters.

20. Ultimately, Badger was required to provide a Bid Value Differential of up to \$111,000 due to the fact that Badger's bid may result in the creation of employee claims arising from the potential termination of employment for certain employees, whose employment agreements JMAC was willing to assume. Further details regarding the treatment of employees under the Transaction are included below, along with the details of the Transaction.
21. The Companies made the decision to apply a Bid Value Differential to Badger's bid given the difficulties experienced by interested parties during the SISP to compete with the Stalking Horse Bid, as they were unable to accurately ascertain the scope of the assumption of liabilities by the Stalking Horse Bidder under its finalized definitive documentation.
22. Prior to the commencement of the Auction, each of Badger and JMAC were advised that a Bid Value Differential of \$111,000 would be applied to any bid made by Badger at the Auction. Both parties agreed in writing to proceeding in this fashion. Attached hereto and marked as **Exhibit "F"** is a copy of email correspondence dated February 9, 2024 from the Companies' legal counsel to counsel for each of Badger and JMAC respectively, setting out the Bid Value Differential.
23. Additionally, the Companies, in consultation with the Proposal Trustee and the Sales Advisor developed rules for the conduct of the Auction (the "**Auction Rules**"). The Auction Rules were circulated to each of Badger and JMAC, through their respective legal counsel, on February 8, 2024. Attached hereto and marked as **Exhibit "G"** is a copy of correspondence from the Companies' legal counsel delivering a copy of the Auction Rules, requesting that each of Badger and JMAC confirm their participation in the Auction as an Auction Bidder, and acknowledge and agree to participate in the Auction in accordance with the Auction Rules.

24. Each of Badger and JMAC agreed to participate in the Auction as an Auction Bidder in accordance with the terms of the Auction Rules and the SISP. Attached hereto and marked as **Exhibits “H”** and **“I”** respectively, are copies of such confirmation from each of Badger and JMAC.
25. On February 9, 2024, the Proposal Trustee conducted the Auction virtually via Microsoft Teams with both JMAC and Badger participating as Auction Bidders. I was also in attendance at the Auction.
26. The opening bid at the Auction was \$13.1 million for substantially all of the Business and Property of the Companies. The opening bid was based on the fact that Badger submitted a Superior Bid in the amount of \$13.2 million, which was comprised of a purchase price of \$13 million plus the Expense Reimbursement of \$200,000.
27. The terms of the SISP and Auction Rules required participants to submit bids in each subsequent bidding round in an amount equal to the Minimum Bid Increment of \$100,000. Confirmation of participation in a bidding round entitled the bidders to participate in the next round of bidding.
28. The right to bid first in each round alternated between JMAC and Badger. Each Auction Round was led by the Proposal Trustee, who established the bid amount for the round and, alternating between JMAC and Badger in each round, called on the bidders to advise whether they were bidding for the established amount in such round. At every \$2 million increment above the Starting Bid, the Proposal Trustee would ask the Auction Bidders whether they wished to take a 15 minute adjournment off screen. The Auction Bidders could advise whether they wanted to take the break, or whether they wanted to waive the break and continue with bidding.
29. In round 161 of the Auction, both JMAC and Badger agreed to bid \$29.1 million for substantially all of the Business and Property of the Companies. In accordance with the Auction Rules, both parties were subsequently afforded the right to participate in the next round of bidding.

30. In round 162 of the Auction, at a bid price of \$29.2 million, JMAC declined to bid first, and then Badger subsequently confirmed its bid at \$29.2 million. At that point, the Proposal Trustee closed the Auction pursuant to the SISP and Auction Rules.
31. The last bid submitted by JMAC at the Auction was \$29.1 million.
32. Following the conclusion of the Auction, the Proposal Trustee advised the Companies, JMAC and Badger, that Badger's bid of \$29.2 million had been selected as the Successful Bid and JMAC's bid of \$29.1 million would stand as the Backup Bid, all pursuant to and in accordance with the terms of the SISP. Attached hereto and marked as **Exhibit "J"** is correspondence from the Proposal Trustee's counsel to this effect.
33. The Successful Bid represents the highest and best offer available pursuant to the terms of the SISP and is at least \$16 million more than the value of the initial bids received from each of JMAC and Badger, being more than double the original value of each initial bid. The Companies now seek approval from this Court of the Transaction.
34. The Companies and Badger, with support from the Proposal Trustee, have been working together since the conclusion of the SISP to finalize definitive documents respecting the Transaction. On February 9, 2024, AMI and the Purchaser entered into the Subscription Agreement. A copy of the Subscription Agreement is attached hereto as **Exhibit "K"**.
35. As a result of the SISP, I honestly believe that:
 - (a) the Transaction is the highest, and therefore the best, offer for the Companies' Business and Property (in this case through a share transaction);
 - (b) the Companies and the Proposal Trustee made sufficient efforts to sell the Companies' Business and Property;
 - (c) the Companies, in consultation with the Sales Advisor and the Proposal Trustee, conducted the SISP efficiently, with integrity, and sufficiently exposed the Companies' Business and Property to the marketplace, and it is unlikely that further marketing efforts would achieve a result better than the Transaction. This is

especially so considering the fact that the Purchase Price under the Transaction is higher than any offer received by the Companies during its Pre-Filing Strategic Process, and also significantly higher than the originally contemplated Arrangement Agreement with JMAC, which was valued at approximately \$13.7 million, with an implied equity value of approximately \$11.3 million being \$0.145 per common share outstanding, the payment of DSU's and outstanding options and the repayment of outstanding secured debt of \$2.4 million.

- (d) the Companies made efforts to take into account the interests of all parties during the SISP, including by:
 - (i) waiving the strict requirements of the SISP in order to allow JMAC to submit their definitive documents past the Bid Deadline; and
 - (ii) developing and implementing the concept of the Bid Value Differential to meaningfully compare the total consideration offered by Badger and JMAC under their definitive documents;
- (e) there has been no unfairness in the SISP or the negotiations of the Subscription Agreement. The Proposal Trustee hosted the Auction as a neutral party pursuant to the Auction Rules, by which the participants agreed to abide; and
- (f) the price to be paid for the Companies' Business and Property is fair and reasonable, and the consideration under the Transaction is sufficient to pay out all of the Companies' creditors in full, as well as offer anticipated returns for the Companies' shareholders, as further detailed below.

The Proposed Transaction

36. The Transaction is to be implemented by way of the Subscription Agreement and proposed RVO. Pursuant to the Subscription Agreement: i) all of the existing Common Shares of AMI will be exchanged on a 1:1 basis for new shares in ResidualCo, ii) all Equity Interests in AMI will be cancelled for no consideration, iii) all existing Claims and Encumbrances

will be transferred from the Companies to ResidualCo, together with any Transferred Assets, and iv) the Purchaser will acquire all of the newly issued shares of AMI, such that at the conclusion of the Transaction it will be the sole shareholder of AMI (all of the foregoing defined terms having the meanings given to them in the Subscription Agreement).

37. Other key terms of the Subscription Agreement (all as defined in the Subscription Agreement) include the following:

- (a) **Total Purchase Price:** Approximately \$29.4 million, which includes payment of the \$200,000 Expense Reimbursement to JMAC under the Stalking Horse Term Sheet, plus up to \$111,000 for the Bid Value Differential for payment of any Terminated Employee Claims, and up to \$500,000 for the Disclaimer Liability with respect to any claims as a result of terminated or disclaimed Excluded Contracts, as further set out below. The Purchase Price is to be satisfied by: (i) the retention of a \$1,320,000 deposit already delivered by Badger to the Proposal Trustee; (ii) a \$50,000 credit to be credited to Badger pursuant to paragraph 15 of the First Order, and (iii) a payment in cash by Badger to the Companies for the balance of the Purchase Price.
- (b) **ResidualCo Notes:** AMI will issue non-interest bearing promissory notes to ResidualCo in consideration for its assumption of the Transferred Liabilities. The ResidualCo Notes will have an aggregate principal amount equal to the Transferred Liabilities, less the Transferred Assets. The Companies shall satisfy the ResidualCo Notes using the Purchase Price. I understand that this mechanism was requested by the Purchaser for tax planning purposes;
- (c) **Permits and Licenses:** All of the permits and licenses in the name of AMI will be preserved, including:
 - (i) 648745 Alberta Ltd. (five option to purchase agreements – Prosvita);
 - (ii) Alberta Environment and Parks – DML130162 (Firebag);

- (iii) Alberta Environment and Parks – DLO130748 (Firebag);
 - (iv) Alberta Environment and Parks – SML130021 (Firebag);
 - (v) Alberta Environment and Parks – DLO220117 (Firebag);
 - (vi) Robert Dale Marshall (Temporary Workspace Agreement – Montney);
 - (vii) Ralph & Ralph Farms (Temporary Workspace Agreement – Montney);
 - (viii) Frances Margaret Adams (Temporary Workspace Agreement – Montney);
 - (ix) Donna Lee Kane (Temporary Workspace Agreement – Montney);
 - (x) Shannon Gail McKinnon (Temporary Workspace Agreement – Montney);
 - (xi) Cheryl Lynn McKenzie (Temporary Workspace Agreement – Montney);
 - (xii) Province of British Columbia Mineral Claims 1066380, 1066381, 1066382, 1066383, 1066384, 1066385; and
 - (xiii) Province of Alberta Metallic & Industrial Mineral Permits 9322120231, 9322120232, 9322120233, 9322120234, 9322120235, 9322120236, 9322120237, 9322110204, 9322110205;
- (d) **Retained/Excluded Contracts:** Each and every contract, agreement, and commitment held by AMI or the Companies, as applicable, in force immediately prior to the date of the Subscription Agreement, unless otherwise designated by the Purchaser will be a Retained Contract. Where the Purchaser elects to disclaim or terminate a contract, such contract becoming an Excluded Contract, the Purchase Price shall increase by an amount equal to any liability created by such disclaimer or termination. The Purchaser is required to deliver \$500,000 in escrow (the “**Escrow Amount**”) to the Proposal Trustee on Closing to address potential Disclaimer Liability, which amount will be refunded to the Purchaser in the event the Disclaimer Liability is less than the Escrow Amount or further amounts advanced in the event the Disclaimer Liability is greater than the Escrow Amount. On February 25, 2024, through counsel, the Companies were advised by Badger that they do not intend to terminate or disclaim any agreements (except employee agreements, as further discussed below);

- (e) **Employees:** The parties have agreed to use commercially reasonable efforts to negotiate in good faith: i) the retention of Employees by the Purchaser, or alternatively, ii) transition services agreements, or iii) new employment agreements with Employees. On or before Closing, the Purchaser shall advise AMI which Employees, if any, shall be retained by AMI, and the Purchaser will then assume associated employee obligations for Retained Employees specified in the Subscription Agreement. Any Employee not designated as a Retained Employee will become a Terminated Employee, with such Terminated Employee Claims being a Transferred Liability vesting against ResidualCo. Further, any amounts owing as a result of change-of-control provisions in certain employment contracts will also be a Transferred Liability vesting against ResidualCo. The Companies anticipate paying any Terminated Employee Claims and claims arising from change-of-control provisions in full from the proceeds of sale, which will also be vested in ResidualCo. On February 25, 2024, through counsel, the Companies were advised by Badger that they intend to terminate the Companies' nine employees and make new offers of employment to all nine employees;
- (f) **Retained Assets:** The Retained Assets under the Transaction are set forth at Schedule "B" to the Subscription Agreement and include, amongst other things:
- (i) AMI's 50% interest in AMIS LLC;
 - (ii) all Real Property;
 - (iii) all regulatory and license attributes of the Companies;
 - (iv) all shares of capital stock or other equity interests in any Affiliate of AMI;
and
 - (v) all tax attributes, if any, of the Companies inherent to them, including all rights related to former Tax Returns, Tax Refunds (other than in respect of Transferred Assets), and non-capital loss balance carry forwards (the "**Tax Pools**");

- (g) **Retained Liabilities:** The Retained Liabilities under the Transaction are set forth at Schedule “B” to the Subscription Agreement and include, amongst other things:
- (i) any and all regulatory, environmental and governmental liabilities related to the Lands and Buildings and Fixtures;
 - (ii) operating liabilities related to Retained Assets, which are not unsecured trade claims, trade payables, or utility bills;
 - (iii) income tax liabilities in respect of AMI’s 2023 taxation year arising from two disposition of assets, which are anticipated to be offset against the available Tax Pools; and
 - (iv) Taxes arising as a result of the Transaction;
- (h) **Transferred Liabilities:** Unless otherwise designated by the Purchaser as a Retained Liability, all obligations or liabilities of any nature and kind owed by the Companies, including but not limited to all unsecured debt or secured debt wheresoever and howsoever arising, including by operation of the BIA, court order, or other Applicable Law, which are more particularly set forth at Schedule “B” to the Subscription Agreement. The Transferred Liabilities will retain the same priority they have against the Companies as against ResidualCo as at the time immediately prior to Closing, including the charges created pursuant to the First Order;
- (i) **Cure Costs:** The Purchaser is responsible for payment of specified Cure Costs set forth at Schedule “C” to the Subscription Agreement, which predominantly relate to the deferred royalty payments owed to the Geofounders as referenced in the Cash Flow Forecast exhibited to my Second Affidavit;
- (j) **Conditions:** The conditions of Closing include amongst other things that:
- (i) the RVO shall have been issued, entered and shall be a final order;

- (ii) ResidualCo shall be incorporated; and
 - (iii) the Court shall not have granted or entered an order which confirms, orders, or otherwise states that JMAC is entitled to exercise its contractual right of first refusal in respect of AMI's 50% interest in AMIS LLC;
- and,
- (k) **Outside Date:** March 30, 2024.

Necessity of the RVO Structure

- 38. As noted above, AMI currently holds 11 Land Agreements, 4 Licenses, 6 Mineral Claims, and 9 Permits required to operate its Business in the regulated aggregates and industrial minerals industry across Western Canada and the Western United States, although I note that AMI itself does not hold any regulatory authorizations in relation to its U.S. interests. The regulatory authorizations in relation to the U.S. interests are held by AMIS LLC.
- 39. The Land Agreements are critical to the continued operations of the Companies' Canadian assets. Further, based on prior discussions with one of the Land Agreement counterparties, I honestly believe that this counterparty, who has granted AMI five Option to Purchase Agreements in respect of the Prosvita Sand Project, would not consent to a transfer of the same to the Purchaser, potentially destroying any value held by the Companies in this asset that could have otherwise benefited stakeholders.
- 40. Additionally, the Mineral Claims held by AMI in relation to its interests in the Montney region of British Columbia are situated on lands within an area where the Province of British Columbia has put in place a moratorium on any new mineral claims, and it is not possible to be granted new mineral claims on these lands. The existing Mineral Claims held by AMI were grandfathered and continue to be in force, as AMI held those interests prior to the moratorium being put in place; however, my understanding is that if AMI was required to transfer those Mineral Claims, this may not be possible and the interests might revert back to the Province of British Columbia.

41. The above regulatory authorizations are all held by AMI, which interests will transfer under the proposed RVO Transaction. Additionally, the numerous regulatory authorizations required to operate the Hixton mine and held by AMIS LLC will also be preserved by the RVO structure, as AMI's 50% interest in AMIS LLC is a Retained Asset under the Transaction and RVO.
42. The RVO would therefore allow for the complete preservation of the Land Agreements, Licenses, Mineral Claims, and Permits and would avoid any delays, costs, or unnecessary risks to the completion of the Transaction from having to transfer the same to the Purchaser in the absence of the RVO. The preservation of the Companies' Land Agreements, Licenses, Mineral Claims, and Permits is of particular importance given the multi-jurisdictional reach of the Companies' Business and the number of different regulatory bodies that would be involved in transferring same.
43. Additionally, AMI has approximately \$18.3 million of non-capital losses as of December 31, 2022, a portion of which may be applied against future taxable income. I further understand that these non-capital losses may be preserved in an RVO structure, but would not be preserved in an asset sale.
44. The Transaction allows the Companies to exit these Proposal Proceedings as a going concern, preserving at least some employment opportunities for the Companies' nine employees. This also maintains existing contractual relationships with numerous contract counterparties.
45. If the Transaction is approved by this Court, the Companies intend to close the Transaction prior to the maturity date under its Interim Financing Facility with JMAC of March 12, 2024.
46. I understand that the Purchaser will not pursue the Transaction without the benefits that my counsel advises me accompany the RVO structure.
47. If the Transaction cannot proceed, then the Companies may resort to an alternative transaction in the form of the Stalking Horse Bid. I understand that the Stalking Horse Bid also requires the use of an RVO structure in part. Further, the Stalking Horse Bidder has

advised that it is of the view that it would not support the Back-Up Bid of \$29.1 million, but instead intends to assert the ROFR in the AMIS LLC Operating Agreement and pursue a transaction at a purchase price of \$13.1 million, being the opening bid at the Auction. The alternative option available to the Companies may then result in a decrease in value of \$16.1 million to the detriment of all of the Companies' stakeholders. The Transaction, including the approval of the RVO, is then the most favourable economic result available in these circumstances.

48. In fact, pursuant to the proposed Transaction, the Companies are expected to have sufficient funds to pay all of their secured and unsecured creditor claims in the approximate amount of \$12.6 million, leaving approximately \$16.6 million in residual value. Following payment of transaction and professional fees incurred, as well as the expenses of maintaining ResidualCo through to its dissolution, this would result in anticipated distributions to current AMI shareholders, including JMAC who holds an approximate 20% equity interest, of approximately \$0.15 to \$0.19 cents per common share, depending upon the costs detailed above. These anticipated distributions would be effected by virtue of existing AMI shareholders obtaining new shares in ResidualCo pursuant to the proposed Transaction and granting of the RVO.
49. If the Companies were unable to pursue the Transaction, the alternative transaction put forward by JMAC at a purchase price of \$13.1 million would significantly diminish any residual value for the Companies' shareholders. AMI anticipates that, based on the value of the secured and unsecured claims, along with the transaction and professional fees associated with the transaction and expenses of maintaining ResidualCo to its dissolution, that the residual value for shareholders would be diminutive, or potentially nil.

ResidualCo Corporate Matters

50. The Transaction contemplates that, pursuant to the terms of the proposed RVO, the Transferred Liabilities will vest in ResidualCo and ResidualCo would replace AMI as the debtor company in the within Proposal Proceedings.

51. I, John David Churchill, have agreed to serve as ResidualCo's sole director (the "**First Director**") if authorized to do so by the Court in accordance with the RVO. I am the Chief Financial Officer of the Company. I have agreed to serve in this role to facilitate the Transaction and on the understanding that ResidualCo is an entity that is to become subject to these Proposal Proceedings and ultimately bankrupted following the closing of the Transaction, as a result of the structure of the RVO and not because of any operational or other decisions that I will make or made as a director of ResidualCo.
52. The administration of ResidualCo will remain subject to both the Proposal Trustee's and this Court's oversight within these Proposal Proceedings.

The Releases

53. The RVO provides for: i) AMI and its current directors, officers, employees, legal counsel and representatives; ii) KSV Restructuring Inc., in its capacity as the Proposal Trustee, and its representatives and legal counsel; iii) Canaccord Genuity Corp., in its capacity as the Sales Advisor, and its representatives; iv) the Purchaser and its current directors, officers, employees, legal counsel and representatives; and v) myself, John David Churchill, in my capacity as the First Director (collectively the "**Released Parties**") to be released from the Released Claims (as defined in the proposed RVO).
54. The claims to be released include any claims arising out of AMI's business, assets, operations and affairs during the pendency of these Proposal Proceedings, or the implementation of the Transaction.
55. The proposed release does not release:
 - (a) Any claim that is not permitted to be released pursuant to sections 50(13) or 50(14) of the BIA; or
 - (b) Any obligations of any of the Released Parties under or in connection with the Transaction or the Subscription Agreement.

56. The Released Parties have all been integral to these Proposal Proceedings, including through the conduct of the SISP and the negotiation and implementation of the proposed Transaction. The Purchaser requires the proposed releases as a condition of the Transaction pursuant to the RVO, which as previously noted provides for the highest and best realization on AMI's assets for the benefit of all stakeholders. I have also requested releases in my favour in connection with my role as the First Director, which is being done solely to facilitate this Transaction.
57. I am advised by the Proposal Trustee that they are of the view that the proposed releases are fair and reasonable in the given circumstances, and they agree that the Released Parties were critical to the Companies' restructuring efforts, including the development and implementation of the SISP, conduct of the Auction, and negotiation of the Transaction and Subscription Agreement.
58. I am not aware of any existing claims against the Released Parties arising as a result of these Proposal Proceedings.

JMAC Asserted ROFR

59. Since the outset of these Proposal Proceedings, JMAC has reserved its rights with respect to a contractual right of first refusal ("**ROFR**") contained at Article 11.02 of the LLC Operating Agreement between AMI and JMAC. A copy of the Operating Agreement is attached hereto as **Exhibit "L"**.
60. JMAC's position has been that a corporate transaction for the sale of the shares of AMI triggers its right to exercise the ROFR, which is stated to apply to a sale of a party's Membership Interest or Economic Interest (each as defined in the AMIS LLC Operating Agreement) in AMIS LLC. Conversely, the Companies have consistently maintained and advised JMAC that it is their position that such a transaction would not trigger the ROFR, due to the fact that the sale would be of AMI's shares and not a sale of the Membership Interest or Economic Interest at the AMIS LLC level.
61. In the weeks leading up to the Bid Deadline, on January 23, 2024, JMAC, through its legal counsel, sent correspondence to the Companies restating its position regarding the

applicability of the ROFR and demanded that the Companies place JMAC's correspondence in the VDR. A copy of JMAC's January 23, 2024 letter is attached hereto as **Exhibit "M"**.

62. The Companies responded to JMAC's correspondence with a letter from their legal counsel dated January 25, 2024, restating its position on this issue. A copy of the Companies' January 25, 2024 letter is attached hereto as **Exhibit "N"**.
63. I am advised by Andrew Birkby of the Sales Advisor's office that each of JMAC's January 23, 2024 letter and the Companies' January 25, 2024 letter were placed in the VDR on or about January 25, 2024.
64. After the Proposal Trustee announced Badger as the Successful Bidder pursuant to the SISF, the Companies, through legal counsel, contacted JMAC's counsel to request confirmation of its formal position respecting the applicability of the ROFR to the Transaction. JMAC's counsel ultimately advised the parties that JMAC was in fact still asserting that the ROFR applies to the proposed transaction with Badger, and that JMAC should be allowed to exercise the ROFR at a purchase price of \$13.1 million. This is roughly \$16.1 million less than the Purchase Price payable by Badger under the Transaction, and \$16 million less than JMAC itself bid at Auction. Attached hereto and marked respectively as **Exhibits "O"**, **"P"** and **"Q"** are copies of correspondence between the parties dated February 12 to February 15, 2024, regarding confirmation of JMAC's formal position on this issue (without attachments to the email attached as Exhibit "O", which pieces of correspondence were previously attached as Exhibits to this Affidavit).
65. If the ROFR is exercisable at a purchase price of \$13.1 million, this may still result in the Companies' creditors being repaid in full; however, the residual value available for distribution to the Companies' shareholders would significantly diminish, resulting in estimated distributions of \$0.00 - \$0.005 per share, compared at \$0.15 - \$0.19 per share under the proposed Badger Transaction.
66. Despite JMAC's assertion that they would be commencing an action against the Companies in the State of North Dakota in regard to the applicability of the ROFR to the

Transaction, as at the time of swearing this Affidavit, JMAC has not commenced such legal proceedings.

Stay Extension

67. Since the commencement of these Proposal Proceedings and since the granting of the Second Order, the Companies have been acting in good faith and with due diligence to advance such Proposal Proceedings in a manner that will maximize value for the benefit of all of their creditors and stakeholders. The Companies' Management Team, myself included, strongly believe that the Companies conducted a robust Court-approved SISP utilizing the Stalking Horse Bid from JMAC, and the Subscription Agreement elicited from such process represents the highest and best offer for the Companies' Business.
68. In order to conclude the SISP, and otherwise advance these Proposal Proceedings in a timely and cost-effective manner, since the granting of the Second Order, the Companies have taken the following steps:
 - (a) continued to implement the final stages of the SISP, including by responding to ongoing due diligence requests, delivering various management presentations to Qualified Bidders, and conducting site visits of the Hixton mine, located in Hixton, Wisconsin and owned by AMIS LLC;
 - (b) held the Auction with the support of the Proposal Trustee and Sales Advisor;
 - (c) negotiated and entered into the Subscription Agreement with Badger;
 - (d) continued to dutifully operate the Business to maintain the value and integrity of the assets; and
 - (e) otherwise maintained ongoing communications and engagement with various other stakeholders, including creditors, suppliers, and employees.

69. The Companies, in consultation with the Proposal Trustee, have updated the Cash Flow Forecast appended to my Second Affidavit for the week ending January 12, 2024, to the week ending April 14, 2024, to now include to the week ending April 28, 2024 (the “**Cash Flow Forecast**”). The Companies’ principal use of cash during the Stay Extension will consist of operational costs, including payment of goods and services in the ordinary course, employee wages and benefits, general administrative expenses, and payment of professional advisors engaged to assist the Companies with their restructuring, particularly such costs that are associated with closing the Transaction. A copy of the Cash Flow Forecast is attached hereto as **Exhibit “R”**.
70. Under the Cash Flow Forecast, it is not anticipated that the Companies’ will need to further draw on the already approved \$2.85 million Interim Financing Facility with JMAC, despite the facility being fully drawn.
71. As noted above, the present Stay Period expires on March 11, 2024, and the Transaction, if approved, is expected to close as soon as practicable thereafter. The “Outside Date” pursuant to the Subscription Agreement is March 30, 2024.
72. Extending the Stay Period is therefore necessary and appropriate in the circumstances to allow the Companies’ time to close and implement the Transaction.
73. I honestly believe that closing the Transaction is in the best interests of all of the Companies’ creditors and stakeholders and that no creditors will be materially prejudiced by the requested Stay Extension. In fact, and as noted above, pursuant to the proposed Transaction, the Companies are expected to have sufficient funds to repay all creditor claims and make returns to shareholders.
74. Based on my discussions with the Proposal Trustee and the Companies’ legal counsel, I understand that prior to any shareholder distributions being made from ResidualCo, all creditor claims of ResidualCo will need to be finalized. Further, I understand that the satisfaction of creditor claims of ResidualCo will occur either through a subsequent Court-approved claims process, or through the bankrupting of ResidualCo and subsequent bankruptcy claims process, either of which will be administered by the Proposal Trustee.

As such, I understand that it may take several months before existing AMI shareholders are entitled to any distributions of residual value that could be expected to arise from the Transaction.

75. Based on my discussions with the Proposal Trustee, I understand that the Proposal Trustee is of the view that the Stay Extension is appropriate and that the Companies have been acting in good faith and with due diligence over the course of these Proposal Proceedings.

CONCLUSION

76. The Transaction is the result of the Court-approved SISP, achieved after the conduct of the Auction by the Proposal Trustee where after 162 rounds of bidding, Badger was selected as the Successful Bidder with a Purchase Price in excess of \$29.2 million, more than double the initial Stalking Horse Bid of \$13 million. I honestly believe that the Transaction represents the highest and best price that could be achieved for the Companies' Business and Property, and is in the best interests of all of the Companies' stakeholders.

77. I swear this Affidavit in support of the Companies' Application for orders granting the relief as more particularly set forth in paragraph 11 above.

SWORN BEFORE ME at Calgary, Alberta,
this 26th day of February, 2024.

Commissioner for Oaths in and for Alberta

Kaitlyn Wong
(Handwritten signature of Kaitlyn Wong)

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John David Churchill
(Handwritten signature of John David Churchill)

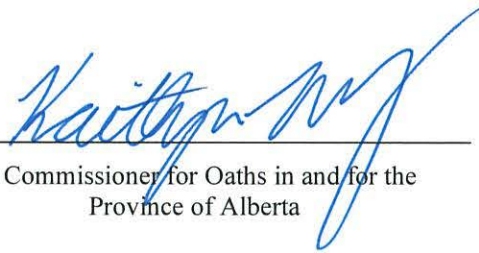
JOHN DAVID CHURCHILL

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N6
Ph: 1-403-261-7388

This is Exhibit "A"

Referred to in the Affidavit of
JOHN DAVID CHURCHILL

Sworn before me this 26th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
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Tel: 403-260-9600 Fax: 403-260-9700

January 31, 2024

VIA E-MAIL

abirkby@cgf.com

Canaccord Genuity Inc.
Centennial Place, East Tower 520 – 3rd Avenue SW, Suite 2400
Calgary, AB T2P 0R3

Attention: Andrew Birkby

Christopher Keliher

Associate

Dir: 403-260-9760

christopher.keliher@blakes.com

Reference: 25933/3

RE: Sale and Investment Solicitation Process of Athabasca Minerals Inc. et al (the “SISP”)

Dear Mr. Birkby:

As you are aware, we are counsel to Badger Mining Corporation (“**Badger**”).

In accordance with the sales and investment solicitation process approved by Order of the Court of King’s Bench of Alberta dated December 12, 2023, please find enclosed at a copy of a Superior Offer (as defined in the SISP Procedure) submitted on behalf of Badger (the “**Bid**”).

Unless otherwise stated, all defined terms used throughout this letter have the meaning given to them in the SISP Procedure authorized under the SISP.

Pursuant to paragraph 23 of the SISP Procedure, we write to advise and confirm as follows:

1. The Bid has been submitted before the Bid Deadline;
2. The Bid does not contemplate a break fee, expense reimbursement, or other form of bid protection.
3. The Bid contemplates concluding a transaction by way of a subscription agreement (the “**Subscription Agreement**”).
4. A duly executed and authorized copy of the Subscription Agreement is attached to this letter at **Appendix “A”**.
5. A blackline of the Subscription Agreement to the template subscription agreement that was authorized by the SISP Procedure and that was uploaded into the VDR is attached to this letter at **Appendix “B”**.
6. The Bid is not conditional upon: (i) the outcome of unperformed due diligence by Badger or (ii) Badger obtaining financing.
7. Proof of Badger’s financial capability to conclude a transaction is attached to this letter at **Appendix “C”**. Badger anticipates that the consideration payable by it under the Subscription Agreement will be made via a cash payment less the Badger Credit and the Deposit (which has already been provided to the Proposal Trustee), each as described and defined in the Subscription Agreement.

1393-0715-8025.1



8. Subject to the terms of the SISP Procedure, the Bid is irrevocable until the selection of the Successful Bidder.
9. The Subscription Agreement will be entered into by Badger, a corporation organized under the laws of the State of Wisconsin, United States, directly, or indirectly through an Affiliate as defined in the Subscription Agreement.
10. A refundable deposit in the amount of CA\$1,320,000, representing 10% of the consideration offered in the Subscription Agreement, was wired to the Proposal Trustee on January 30, 2024. A wire confirmation confirming same is attached to this letter at **Appendix "C"**.
11. The Bid has been approved by the board of directors of Badger. A copy of the board resolution confirming same is attached to this letter at **Appendix "D"**.
12. Badger agrees that, in the event that Badger is not chosen as the Successful Bidder, it is prepared to serve, without modification to the Subscription Agreement, as a Backup Bidder.
13. The Subscription Agreement contemplates closing on or before the Outside Date and includes a Target Closing Date of February 29, 2024.
14. In the event an Auction as described in the SISP Procedure is required, Badger hereby confirms that it intends to participate in such Auction.

Please do not hesitate to contact the undersigned at your earliest convenience with any requests or clarifications with respect to the contents of this letter, the Bid, or the Subscription Agreement, as applicable. If none, Badger kindly requests confirmation: (a) that the Bid is a Superior Offer, and (b) if necessary, whether an Auction will be conducted.

Thank you for your time and diligence in reviewing the Bid and the Subscription Agreement.

Yours truly,



Christopher Keliher

CK/ov

c.: D. Churchill and D. Archibald, Athabasca Minerals Inc.
J. Cameron and R. Gurofsky, *Fasken Martineau DuMoulin LLP* – Counsel to Athabasca Minerals Inc.
L. Rogers and D. McLeod, *Blake, Cassels & Graydon LLP* – Counsel to Badger Mining Corporation
Client

1393-0715-8025.1



APPENDIX "A"

Subscription Agreement

SUBSCRIPTION AGREEMENT

BETWEEN:

ATHABASCA MINERALS INC.

- and -

BADGER MINING CORPORATION OR ITS AFFILIATE

Dated:

January 31, 2024

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Schedule "A" – Reverse Vesting Order

*Schedule "B" –
Transferred Assets
Transferred Liabilities
Excluded Contracts
Retained Assets
Retained Liabilities
Retained Contracts*

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT made as of January 31, 2024.

BETWEEN:

ATHABASCA MINERALS INC. (the “**Company**”)

- and -

BADGER MINING CORPORATION OR ITS AFFILIATE
(the “**Purchaser**”)

WHEREAS:

- A. The Company is an Alberta-based, publicly listed Alberta company with its Common Shares (as defined herein) listed on the TSX Venture Exchange under the symbol “AMI”;
- B. On November 13, 2023, the Company, TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively, the “**Companies**”) each filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended with the Office of the Superintendent of Bankruptcy (the “**Proposal Proceedings**”);
- C. KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”);
- D. On December 12, 2023, the Companies obtained an order from the Court of King’s Bench of Alberta (the “**Court**”) in the Judicial District of Calgary Alberta, which, among other things, approved the procedure for the sales and investment solicitation process of the Companies (the “**SISP Order**”);
- E. Further to the SISP Order, the Company and the Purchaser entered into negotiations for the subscription for and purchase of the Purchased Shares (as defined herein) by the Purchaser, to be completed through a series of transactions between the Company and the Purchaser to proceed by way of the Reverse Vesting Order (as defined herein);
- F. Subject to the conditions set forth in this Subscription Agreement and the issuance by the Court (as defined herein) of the Reverse Vesting Order (as defined herein), the Company wishes to issue to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- G. The Company shall effect a reorganization pursuant to the statutory procedure set out in Section 192 of the *Business Corporations Act* (Alberta) (“**ABCA**”), or Section 59(4) of the BIA (as defined below), as applicable, whereby, among other things, all existing Common Shares (as defined herein) issued and outstanding immediately prior to the Closing Date (as defined herein) shall be deemed to be exchanged by the registered holders thereof,

without any act or formality on their part, for consideration in the form of ResidualCo Shares (as defined herein) on the basis of one ResidualCo Share being issued for each Common Share then outstanding, following which the Common Shares so transferred, and all other Equity Interests, shall be cancelled, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Subscription Agreement (the “**Reorganization**”);

- H. At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company; and
- I. The Transactions (as defined herein) contemplated by this Subscription Agreement are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Subscription Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

- (a) “**ABCA**” has the meaning ascribed thereto in the Recitals;
- (b) “**Affiliate**” means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term “**control**” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;
- (c) “**Applicable Law**” means, in relation to any Person, property, transaction, event or other circumstance, any transnational, foreign or domestic, federal, provincial, territorial, state, local or municipal (or any subdivision of them) law (including common law and civil law), constitution, treaty, statute, rule, regulation, code, ordinance, principle of common law or equity rule, by-law (zoning or otherwise), official directive, order of Governmental Authorities (whether administrative, legislative, executive or otherwise, including any Securities Laws or requirements of stock exchanges and any consent decree or administrative order) or other requirement having the force of law, including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any Permit, licence or other governmental

or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;

- (d) **“Articles of Reorganization”** means the articles of reorganization of the Company in respect of the Reorganization required under Section 192(4) of the ABCA to be sent to the Registrar after the Reverse Vesting Order has been granted, giving effect to the Reorganization;
- (e) **“ASC Revocation Order”** means an Order or Orders of the Alberta Securities Commission, on its own behalf and to the extent necessary, on behalf of the Ontario Securities Commission and any other applicable securities regulator, authorizing the Company to cease to be a reporting issuer, effective on Closing;
- (f) **“Badger Credit”** means the amount of \$50,000 to be credited towards the Purchase Price as provided for in paragraph 15 of the SISP Order;
- (g) **“BIA”** means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time;
- (h) **“Buildings and Fixtures”** means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the land or lands owned or controlled by the Companies or any of them;
- (i) **“Business”** means the business and operations carried on by the Companies as at the date of this Subscription Agreement;
- (j) **“Business Day”** means a day other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta or the State of Wisconsin;
- (k) **“Canadian Securities Laws”** means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;
- (l) **“Certificate of Reorganization”** means the certificate of reorganization to be issued by the Registrar for the Reorganization pursuant to Section 192(5) of the ABCA in respect of Articles of Reorganization;
- (m) **“Claim”** means any claim, action, cause of action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (n) **“Closing”** means the completion of the Transactions pursuant to this Subscription Agreement;

- (o) **“Closing Date”** the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 4 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (p) **“Closing Place”** means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (q) **“Closing Sequence”** has the meaning ascribed thereto in Section 3.3;
- (r) **“Common Shares”** means common shares in the capital of the Company;
- (s) **“Companies”** has the meaning ascribed thereto in the Recitals;
- (t) **“Company Shareholders”** means the registered holders of issued and outstanding Common Shares as of close of business on the day prior to the Closing Date;
- (u) **“Confidential Materials”** has the meaning ascribed thereto in Section 8.13;
- (v) **“Confidentiality Agreement”** means the non-disclosure and confidentiality agreement between the Companies and Badger Mining Corporation, dated December 19, 2023;
- (w) **“Court”** has the meaning ascribed thereto in the Recitals;
- (x) **“Cure Costs”** means all monetary defaults in relation to the Retained Contracts as at the date of Closing, other than those arising by reason only of the Companies’ insolvency or the commencement of the Proposal Proceedings;
- (y) **“Deposit”** has the meaning ascribed thereto in Section 2.4;
- (z) **“Effective Time”** means 12:01 a.m. on the Closing Date;
- (aa) **“Employees”** has the meaning ascribed thereto in Section 6.7;
- (bb) **“Encumbrances”** means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), 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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order, the Reverse Vesting Order or any other Order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of Alberta, British Columbia or any other personal property registry system or

pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system;

- (cc) **“Equity Interests”** includes, in respect of the Company, (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; and (iii) any warrants, options, convertible, exchangeable or exercisable securities (whether convertible, non-convertible, voting or nonvoting, whether preferred, common or otherwise), subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing;
- (dd) **“Excluded Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto which shall be disclaimed by the Company, or Companies, as applicable;
- (ee) **“Governmental Authority”** means any federal, national, provincial, territorial, state, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (ff) **“GST”** means the goods and services tax payable pursuant to the GST Legislation;
- (gg) **“GST Legislation”** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (hh) **“Interim Period”** means the period from the date that this Subscription Agreement is entered into by the Parties through to Closing;
- (ii) **“Losses”** means all losses, costs, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (jj) **“Material Adverse Effect”** means any fact or state of facts, circumstance, change, effect, occurrence or event which:
 - (i) either individually is or in the aggregate are, or individually or in the aggregate could reasonably be expected to be, material and adverse to the Business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), capitalization or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole; or

- (ii) either individually or in the aggregate prevents or materially delays, or individually or in the aggregate could reasonably be expected to prevent or materially delay, the completion of the Transactions or the Company from performing its obligations under this Subscription Agreement in any material respect;
- (kk) **“Order”** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;
- (ll) **“Outside Date”** means March 12, 2024, or such other date as may be agreed upon between the Parties in writing;
- (mm) **“Parties”** means, collectively, all of the parties to this Subscription Agreement; and **“Party”** means a party to this Subscription Agreement;
- (nn) **“Permits”** means all authorizations, permits, decisions, determinations, judgments, directions, entitlements, licenses, orders, consents, approvals, notices, correspondence, directives, exemptions, registrations, rulings, advance rulings and certifications whether now existing or hereafter issued or obtained or required to be issued or obtained and which are or may be given or issued by any Governmental Authority;
- (oo) **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (pp) **“Proposal Proceedings”** has the meaning ascribed thereto in the Recitals;
- (qq) **“Proposal Trustee”** has the meaning ascribed thereto in the Recitals;
- (rr) **“Proposal Trustee’s Certificate”** means the certificate, substantially in the form attached as Schedule “A” to the Reverse Vesting Order, to be delivered by the Proposal Trustee in accordance with Section 4.5, and thereafter filed by the Proposal Trustee with the Court;
- (ss) **“Purchase Price”** has the meaning set out in Section 2.2;
- (tt) **“Purchase Price Balance”** has the meaning set out in Section 2.2;
- (uu) **“Purchased Shares”** means 1,000 Common Shares subscribed for by the Purchaser in accordance with the Reverse Vesting Order and this Subscription Agreement, representing all of the issued and outstanding Common Shares of the Company at the time of issuance;
- (vv) **“Real Property”** means collectively all land or lands owned by or controlled by the Companies or any of them and all other Buildings and Fixtures;
- (ww) **“Recitals”** means the preamble and the recitals to this Subscription Agreement;

- (xx) **“Registrar”** means the Registrar of Corporations or a Deputy Registrar of Corporations appointed pursuant to Section 263 of the ABCA;
- (yy) **“Reorganization”** has the meaning ascribed thereto in the Recitals;
- (zz) **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (aaa) **“ResidualCo”** means a corporation to be formed in advance of Closing, for the purposes of (i) accepting the transfer of all Transferred Assets and Transferred Liabilities, as part of the Closing Sequence as further set out in Section 3.3 of this Subscription Agreement, and (ii) being added as an applicant in the Proposal Proceedings upon the completion of the Transactions contemplated herein;
- (bbb) **“ResidualCo Notes”** means one or more non-interest bearing promissory notes issued by the Company and/or Subsidiaries in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement with an aggregate principal amount equal to the Transferred Liabilities less the value of the Transferred Assets;
- (ccc) **“ResidualCo Shares”** means the common shares of ResidualCo;
- (ddd) **“Retained Assets”** means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts, which shall be retained by the Company;
- (eee) **“Retained Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto which shall be retained by the Company;
- (fff) **“Retained Liabilities”** means those liabilities described in Schedule “B” hereto which shall be retained by the Company;
- (ggg) **“Reverse Vesting Order”** means an Order of the Court, in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the cancellation of all of the issued and outstanding Equity Interests, other than the Purchased Shares); (b) authorizes and directs the Company to file the Articles of Reorganization with the Registrar; and (c) upon the delivery of a copy of the Proposal Trustee’s Certificate to the Purchaser, among other things: (i) transfers all of the Companies’ right, title and interest in and to the Transferred Assets to ResidualCo; (ii) transfers all Transferred Liabilities to ResidualCo; (iii) releases and discharges the Companies from all of the Transferred Liabilities; and (iv) releases the Companies from the purview of the Proposal Proceedings and adds ResidualCo as an entity in the Proposal Proceedings;

- (hhh) **“Securities Laws”** means collectively, the Canadian Securities Laws and U.S. Securities Laws;
- (iii) **“SISP Order”** has the meaning ascribed thereto in the Recitals;
- (jjj) **“Subscription Agreement”** means this subscription agreement between the Company and the Purchaser, including all Recitals and schedules attached hereto, and **“this Agreement”**, **“this Subscription Agreement”** **“herein”**, **“hereto”**, **“hereof”** and similar expressions mean and refer to this subscription agreement;
- (kkk) **“Subsidiaries”** means any subsidiary of the Company that has issued a ResidualCo Note in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement;
- (lll) **“Target Closing Date”** means February 29, 2024;
- (mmm) **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, whether disputed or not, and any liability for the payment of any such amounts as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, amounts or refunds owing in respect of any form of COVID-19 economic support, health insurance and governmental pension plan premiums or contributions;
- (nnn) **“Tax Refunds”** means all refunds in respect of Taxes to which the Companies are entitled in respect of the period prior to Closing;
- (ooo) **“Tax Returns”** means all reports, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with any Taxes, including any amendment thereof, and whether in tangible or electronic form;
- (ppp) **“Terminated Employee Claims”** has the meaning ascribed thereto in Section 6.7;
- (qqq) **“Terminated Employees”** has the meaning ascribed thereto in Section 6.7;
- (rrr) **“Third Party”** means any individual or entity other than the Companies and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

- (sss) **“Transactions”** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement or the Reverse Vesting Order;
- (ttt) **“Transfer Agent”** means TSX Trust Company;
- (uuu) **“Transferred Assets”** means those assets, if any, described in Schedule “B” hereto which shall be transferred the Company, or the Companies, as applicable, to ResidualCo;
- (vvv) **“Transferred Liabilities”** means those liabilities described in Schedule “B” hereto which shall be transferred by the Company, or Companies, as applicable, to ResidualCo; and
- (www) **“U.S. Securities Laws”** means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting all genders.

1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

- Schedule “A” – Form of Reverse Vesting Order
- Schedule “B” – Transferred Assets; Transferred Liabilities; Excluded Contracts; Retained Assets; Retained Liabilities and Retained Contracts

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

1.6 Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

1.7 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law or the Reverse Vesting Order, the term or condition of such Applicable Law or the Reverse Vesting Order, as applicable, shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.8 Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, in consideration for the Purchase Price the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of all Claims, Losses and Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is \$13,200,000 (the “**Purchase Price**”). The Purchase Price shall be satisfied by: (i) the retention of the Deposit by the Company, (ii) application of the Badger Credit, and (iii) payment in cash by the Purchaser to the Company of an amount equal to the balance of the Purchase Price after the application of Sections 2.2(i) and 2.2(ii) hereof (the “**Purchase Price Balance**”).

2.3 Form of Payment

All payments to be made pursuant to this Subscription Agreement shall be in Canadian funds and shall be made by wire transfer.

2.4 Deposit

The Parties acknowledge that a deposit in the amount of \$1,320,000, representing 10% of the Purchase Price, has already been delivered by the Purchaser to the Proposal Trustee pending execution of this Subscription Agreement, and shall be released only in accordance with the provisions of this Section 2.4 (the “**Deposit**”). Until release, the Deposit shall be held by the Proposal Trustee in a non-interest-bearing trust account. In the event:

- (a) Closing occurs, the Deposit shall be paid to the Company at Closing as partial payment of the Purchase Price;
- (b) Closing does not occur by the Outside Date:
 - (i) as a result of a breach of this Subscription Agreement by the Purchaser, and (A) the conditions set out in Sections 4.1 and 4.2 have been satisfied or waived, and (B) the Company is not in breach of any obligations hereunder, the Deposit shall be forfeited to the Company for the account of the Company;
 - (ii) for any reason other than as set out in Section 2.4(b), the Deposit shall be returned to the Purchaser for the account of the Purchaser.

2.5 Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered as a result of Closing not occurring and the Company shall retain the Deposit pursuant to Section 2.4(b)(i) if such circumstances described therein arise. The Deposit shall constitute liquidated damages to the Company and not a penalty of Closing not occurring. For greater certainty, retention of the Deposit shall be the sole and exclusive remedy of the Company.

ARTICLE 3 CLOSING

3.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained prior to the Outside Date.

3.2 Effectiveness of Reverse Vesting Order

Subject to the other terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

3.3 Closing

Commencing at the Effective Time, each of the events set out below shall (and shall be deemed to) occur, except as otherwise expressly noted, sequentially in the following order, without any further authorization, act or formality (the “**Closing Sequence**”):

- (a) The Purchaser shall deliver the Purchase Price (for the subscription and purchase of the Purchased Shares by the Company) to the Proposal Trustee, on behalf of and for the benefit of the Company, as follows: (1) the delivery of the written direction as contemplated in Section 3.4(b)(i); and (2) the payment of the Purchase Price Balance to be paid in cash by wire transfer;
- (b) The Employees shall be terminated by the Company or Companies, as applicable;
- (c) All legal and beneficial right, title and interest of the Companies in and to the Transferred Assets (which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Encumbrances attached to the Transferred Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;
- (d) Concurrently with Step 3.3(c) above, all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;
- (e) Concurrently with Step 3.3(d) above, the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
- (f) Each issued and outstanding Common Share held by a Company Shareholder immediately prior to the Closing Date shall be exchanged without any further act or formality thereof for consideration in the form of one ResidualCo Share for each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;
- (g) Each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order;

- (h) The Company shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with Section 2.1, free and clear of and from any and all Claims, Losses and Encumbrances;
- (i) The Retained Assets will be retained by the Company in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- (j) The Company shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by the Company to the Subsidiaries) using the Purchase Price. If the aggregate principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and the Company and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price then any remaining Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);
- (k) All directors of the Company immediately prior to the Closing Date shall be deemed to resign and Camille LeRouge, Michael C. Hess, Robert L. Brooks, and Cody Wickersheim shall be deemed to be appointed as directors of the Company;
- (l) The Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the SISP Order and all other orders of the Court granted in relation to the Proposal Proceedings;
- (m) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;
- (n) Pursuant to the Reverse Vesting Order or further Order of the Court, the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and

- (o) The Company shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which the Company is a reporting issuer.

3.4 Closing Deliveries

- (a) On the Closing Date, the Company shall deliver or cause to be delivered to the Purchaser:
 - (i) a true copy of the Reverse Vesting Order, as granted by the Court;
 - (ii) a true copy of the Certificate of Reorganization;
 - (iii) a true copy of the TSX Venture Exchange bulletin confirming the delisting of the Common Shares;
 - (iv) a true copy of the ASC Revocation Order;
 - (v) a true copy of a joint direction of the Company and ResidualCo to the Transfer Agent directing the Transfer Agent to (A) transfer all Common Shares held by registered Company Shareholders as at the close of business on the Business Day prior to the Closing Date to ResidualCo, (B) issue one ResidualCo Share for each Common Share formerly held by each registered Company Shareholder immediately prior to the Closing Date, (C) cancel all of the formerly held issued and outstanding Common Shares and (D) issue the Purchased Shares to the Purchaser and provide evidence of same;
 - (vi) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections 4.2(a) and 4.2(c) have been satisfied; and
 - (vii) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions provided for in this Subscription Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.
- (b) On the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company:
 - (i) a written direction to the Company to retain the Deposit and apply the Badger Credit as partial payment of the Purchase Price;
 - (ii) the Purchase Price Balance shall be paid to the Proposal Trustee on behalf of the Company;
 - (iii) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 4.3(a) and 4.3(c) have been satisfied; and

- (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions.

ARTICLE 4 CONDITIONS OF CLOSING

4.1 Mutual Conditions

The respective obligations of the Purchaser and Company to complete the Transactions are subject to the satisfaction of, or compliance with, at or prior to the Closing Date, the following conditions precedent:

- (a) the Reverse Vesting Order shall have been granted and entered by the Court and shall not have been vacated, set aside, or stayed, and all conditions to the effectiveness of the Reverse Vesting Order shall have been satisfied or waived in accordance with the terms thereof, or will be satisfied and waived in accordance with the Closing;
- (b) on or before Closing, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Subscription Agreement; or (iii) the effect of varying, modifying or amending the Reverse Vesting Order without the consent of the Purchaser;
- (c) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing; and
- (d) ResidualCo shall be incorporated.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 4.1 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections 2.4, 8.12 and 8.15) shall automatically terminate without any further action on the part of either the Company or the Purchaser.

4.2 Purchaser's Conditions

The obligations of the Purchaser to purchase the Purchased Shares and complete the Transactions are subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true and correct in all material respects when made and shall remain true and correct as of the Closing Date or if made as of a date specified therein, as of such date;

- (b) the Company shall have executed and delivered or caused to be executed and delivered to the Purchaser at the Closing all documents contemplated by Section 3.4(a);
- (c) all covenants, obligations or agreements of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (d) the Company shall not have issued any new Common Shares or other securities of the Company, except as provided for in the Reverse Vesting Order and this Subscription Agreement; and
- (e) there shall not have been any Material Adverse Effect during the Interim Period.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.4, 8.12 and 8.15.

4.3 Company's Conditions

The obligations of the Company to sell the Purchased Shares and complete the Transactions are subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true and correct in all material respects when made and shall remain true and correct as of the Closing Date or if made as of a date specified therein, as of such date;
- (b) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 3.4(b);
- (c) all covenants, obligations or agreements of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (d) all amounts to be paid by the Purchaser to the Company at Closing, including the Purchase Price Balance, shall have been paid to the Proposal Trustee, on behalf of the Company, in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.4, 8.12 and 8.15.

4.4 Efforts to Fulfil Conditions Precedent

The Purchaser and the Company shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

4.5 Proposal Trustee's Certificate

When the conditions to Closing set out in Sections 4.1, 4.2 and 4.3 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company, the Purchaser or their respective counsel will each deliver to the Proposal Trustee confirmation in writing that such conditions of Closing, as applicable, have been satisfied and/or waived and that the Parties are prepared for the Closing Sequence to commence (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates and the receipt of the Purchase Price Balance, the Proposal Trustee shall: (i) issue forthwith its Proposal Trustee's Certificate concurrently to the Company and counsel to the Purchaser, at which time the Closing will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Proposal Trustee's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and counsel to the Purchaser). In the case of: (i) and (ii) above, the Proposal Trustee will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Proposal Trustee will have no liability to the Company or the Purchaser as a result of filing the Proposal Trustee's Certificate.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Company

The Company makes only the following representations to the Purchaser and agrees that the Purchaser is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) Authorization, Validity and Binding Effect. Subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions and this Subscription Agreement has been duly executed and the Company and constitutes a legal, valid and binding obligation of Company enforceable against it in accordance with its terms;
- (b) No Violations. Other than in connection with or in compliance with the provisions of applicable Securities Laws, the ABCA, and or other similar Applicable Laws (including any laws that regulate competition, antitrust, foreign investment or transportation), the terms of the Reverse Vesting Order and the filing of the Articles of Reorganization, (i) there is no legal impediment to Company's consummation of the Transactions, and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the Company in connection with the consummation of the Transactions, except for

such filings or registration which, if not made, or for such authorizations, consents or approvals which, if not received, would not have a Material Adverse Effect;

(c) Tax Matters.

(i) The Company has made available to Purchaser for review originals or true and complete copies of: (A) material portions of income tax audit reports, statements of deficiencies, closing or other agreements or correspondence concerning assessments, reassessments or audits pursuant to which a Governmental Authority has proposed amendments to previously filed Tax Returns received by or on behalf of the Companies relating to Taxes; (B) any material federal, provincial, state, local or foreign income or franchise Tax Returns for the Companies for the Tax years ending 2021, 2022 and 2023; and (C) all material written communications to or from any Governmental Authority relating to the Taxes of the Companies over such period have been made available to Purchaser; and

(ii) The Company has or will furnish Purchaser with originals or copies of all elections, designations or similar filings relating to Taxes of the Companies and any agreement or other arrangement in respect of Taxes or Tax Returns of the Companies that have effect for any period ending after the Closing Date;

(d) Material Agreements. Company has provided to Purchaser on the date hereof a list of all of the following, complete and correct copies of which have been provided to Purchaser prior to the date hereof: (i) all contracts, agreements, arrangements or understandings containing any rights on the part of any Person, including joint venture partners or entities, to acquire sand, mineral or other property rights from any one or more of the Companies; (ii) all contracts, agreements, arrangements or understandings containing any rights on the part of any one or more of the Companies to acquire sand, mineral or other property rights from any Person; (iii) any contract, agreement, arrangement or understanding to which any one or more of the Companies are a party in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition of assets or securities or other equity interests of another Person; (iv) any standstill or similar contract, agreement, arrangement or understanding currently restricting the ability of any one or more of the Companies to offer to purchase or purchase the assets or equity securities of another Person; (v) all contracts, agreements, arrangements or understandings which entitle a party to rights of termination, the terms or conditions of which may or will be altered, or which entitle a party to any fee, payment, penalty or increased consideration, in each case as a result of the execution of this Subscription Agreement or the consummation of the Transactions contemplated hereby including, without limitation, any license or similar agreements; and (vi) all contracts, agreements, arrangements or understandings pursuant to which any one or more of the Companies will, or may reasonably be expected to result in a requirement of Company to, expend more than an aggregate of \$50,000 or receive or be entitled to receive revenue of more than an aggregate of \$50,000, in either

case in the next 12 months, or is out of the ordinary course of business of any one or more of the Companies;

- (e) Permits. Company has provided to Purchaser copies of all Permits relating to the assets, Business or operations of Companies. The Company has not been advised of any event occurring or circumstance existing which (with notice or lapse of time or both) may constitute or result in a violation of any such Permit except where such violation would not have a Material Adverse Effect. No proceedings are pending or threatened, which could result in the revocation or limitation of any such Permit, and all steps have been taken and filings made on a timely basis with respect to each such Permit and its renewal, except where the failure to take such steps and make such filings would not have a Material Adverse Effect;
- (f) Insurance. The Company or Companies, as applicable, has provided to the Purchaser copies of all policies of insurance naming any one or more of the Companies, as applicable, as an insured. The Company has not received any notice indicating that any such policies do not remain in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) or that any such policy will be cancelled or otherwise terminated as a result of the Transactions contemplated by this Subscription Agreement; and
- (g) Books and Records. The Company has provided to Purchaser copies in their entirety of the financial books, records and accounts of Company.

5.2 Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) Organization. The Purchaser is a corporation registered and existing under the Applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on the Business as it is now being conducted;
- (b) Qualification. The Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) Authorization. The execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) No Conflict. The execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the

Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;

- (e) Validity and Binding Effect. This Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms subject only to (i) obtaining the ASC Revocation Order and (ii) the granting of the Reverse Vesting Order;
- (f) Legal Effect. Other than (i) obtaining the ASC Revocation Order, and (ii) the granting of the Reverse Vesting Order, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement;
- (g) Funds Available. The Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;
- (h) Securities Law Matters.
 - (i) The Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;
 - (ii) The Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Company;
 - (iii) The Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;
 - (iv) The Purchaser represents that it is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, and/or that it meets one of the other exemptions under Canadian Securities Laws;

- (v) The Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian Securities Laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser's ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian Securities Laws; and
- (vi) The Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment; and
- (i) Compliance. The Purchaser is in compliance with all the requirements of all Governmental Authorities.

5.3 Limitation of Representations

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section 5.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an "as is, where is" basis as they exist as of Closing;
- (b) except as expressly stated in Section 5.1, none of the Company or ResidualCo or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the Business of the Company, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;
- (c) except for the representations and warranties of the Company set forth in Section 5.1, none of the Company, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, Permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;

- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 5.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Subscription Agreement, and except for fraud on the part of the Company, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Company, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 5.1. Except as set forth above in this Section 5.3(f), such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of Section 5.3 shall survive and not merge on Closing.

ARTICLE 6 COVENANTS

6.1 Incorporation of ResidualCo

The Company shall coordinate the incorporation of ResidualCo before the Closing Date, which at incorporation shall have no issued and outstanding shares.

6.2 Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Target Closing Date.

6.3 Application for Reverse Vesting Order

As soon as practicable after the execution of this Subscription Agreement, the Company shall file with the Court a motion for the issuance of the Reverse Vesting Order. The Company shall diligently use their commercially reasonable efforts to seek the issuance and entry of the Reverse

Vesting Order and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of the Reverse Vesting Order.

6.4 Court Materials

The Company shall provide the Purchaser and its Representatives with a reasonable opportunity to review and comment upon drafts of all material to be filed by the Company and its counsel with the Court in connection with the Transactions, prior to the service and filing of that material. The Company will ensure that all material filed with the Court in connection with the Transactions is consistent in all material respects with the terms of this Subscription Agreement. In addition, the Company will also provide legal counsel to the Purchaser on a timely basis with copies of any notice or other documents served on the Company or its legal counsel in respect of the application for the Reverse Vesting Order or any appeal therefrom.

6.5 Delisting from TSX

As soon as practicable after the execution of this Subscription Agreement, each of the Company and the Purchaser agree to cooperate with each other in taking, or causing to be taken, all actions necessary to delist the Common Shares from the TSX Venture Exchange.

6.6 ASC Revocation Order

As soon as practicable after the execution of this Subscription Agreement, the Company shall diligently use its commercially reasonable efforts to obtain the ASC Revocation Order.

6.7 Employee Matters

- (a) The Parties acknowledge that the Companies have provided the Purchaser with an up-to-date list of the names, positions and calculation of all severance entitlements of all of the Companies' employees, consultants and contractors fulfilling an employee-like role (collectively, "**Employees**") prior to the date hereof. The Parties further acknowledge that all Employees shall be terminated by the Companies prior to Closing (the "**Terminated Employees**");
- (b) The Companies shall, immediately prior to Closing, have terminated the employment of the Terminated Employees, as requested by the Purchaser, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all claims of the Terminated Employees in the amount equal to the payment that such Terminated Employees would have received under the BIA, and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements of any kind (the "**Terminated Employee Claims**"), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the Closing Sequence, shall be discharged as against the Company and transferred to the ResidualCo;

- (c) Except as provided for in this Section 6.7, the Company shall not make any change in the salary, benefits or other forms of compensation payable to the Employees and shall not hire any additional Employees during the Interim Period; and
- (d) The Purchaser acknowledges and agrees that the information received pursuant to this Section 6.7 is “Confidential Information” as such term is defined in the Confidentiality Agreement and the Purchaser shall only be permitted to hold and use such information in compliance with the terms thereof.

6.8 Maintenance of Retained Assets and Continuation of the Business

During the Interim Period, the Companies shall use reasonable commercial efforts, subject to the SISP Order and the Reverse Vesting Order:

- (a) to continue and maintain the Business in substantially the same manner as conducted on the date of this Subscription Agreement;
- (b) to maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities;
- (c) to keep in full force and effect all existing insurance policies and give to the Purchaser notice of or present any claim made under any such insurance policies; and
- (d) pay or cause to be paid all costs and expenses relating to the Retained Assets which become due during the Interim Period,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution or file any undertaking with a Governmental Authority with respect to any liability management program or other program.

6.9 Consent of the Purchaser

Notwithstanding Section 6.8, the Companies shall not, during the Interim Period, without the written consent of the Purchaser acting reasonably:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets or the Business;
- (b) surrender, abandon, or disclaim any of the Retained Assets;
- (c) materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets;
- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof; or

- (e) take or refuse to take any action which could affect or otherwise alter the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of the State of North Dakota.

6.10 Licence Transfers

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser's sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

6.11 Payments in Respect of Transferred Assets

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset (including a Tax Refund), the recipient of such payment or other consideration shall promptly notify the Company and promptly pay and transfer (net of any out-of-pocket expenses payable by the Company, the Purchaser or any of their respective Affiliates in respect of such amounts, if any) such payment or other consideration to the Company, on behalf of ResidualCo. From and after Closing, the Company and the Purchaser shall provide reasonable cooperation to ResidualCo to enable ResidualCo to obtain the benefit of any Transferred Asset.

6.12 Agreement Regarding Fees

The Purchaser and the Companies hereby acknowledge and agree that each of them will be responsible for any and all fees (including any Taxes imposed on such fees) incurred by them in connection with the formulation, negotiation, submission, and finalization of this Subscription Agreement.

6.13 Disclaimer of Excluded Contracts

The Company or Companies, as applicable, shall, in consultation with the Proposal Trustee, disclaim all Excluded Contracts in accordance with Section 65.11 of the BIA, on or before the Closing Date.

ARTICLE 7

PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

7.1 Company to Provide Access

Prior to Closing, the Company shall, subject to all contractual and fiduciary obligations of the Company, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession or control of the Company, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the

Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Company and ResidualCo from and against all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 7.1 shall survive the Closing Date indefinitely.

7.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the ResidualCo or the Proposal Trustee, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters, Claims, and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Company or any of them.

7.3 Maintenance of Information

Subject to Applicable Law, all of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

ARTICLE 8 GENERAL

8.1 Further Assurances

Each Party will, at the cost and expense of the requesting party, from time to time and at all times after Closing, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

8.2 Liability of the Company or ResidualCo

Other than as set out in Section 2.4, under no circumstances shall the Company or ResidualCo or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

8.3 Entire Agreement

Except for the SISP Order and the Reverse Vesting Order, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Subscription Agreement and, in the event of conflict, except for the SISP Order or the Reverse Vesting Order, the provisions of this Subscription Agreement shall prevail. In the event that Closing occurs, except for the SISP Order and the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

8.4 Governing Law

This Subscription Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the proceedings bearing Alberta Court of King's Bench Court Action No. 25-3009380. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

8.5 Assignment and Enurement

Excepting an assignment in whole of this Subscription Agreement from the Purchaser to an Affiliate of the Purchaser, this Subscription Agreement nor any of the rights or obligations under this Subscription Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

8.6 Time of Essence

Time is of the essence in this Subscription Agreement.

8.7 Notices

The addresses of the Parties for delivery of notices hereunder shall be as follows:

Company: Athabasca Minerals Inc.
407 2 Street SW, Suite 1730

Calgary, AB T2P 2Y3

Attention: Dana Archibald, Chief Executive Officer
Email: dana.archibald@athabascaminerals.com

With a copy to its legal counsel at:

Fasken Martineau DuMoulin LLP
Suite 3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Attention: Robyn Gurofsky / Jessica Cameron
Email: rgurofsky@fasken.com / jcameron@fasken.com

Purchaser: Badger Mining Corporation
409 South Church Street, Berlin, WI 54923
(920) 361-2388

Attention: Victoria Berenz
Email: vberenz@badgerminingcorp.com

With a copy to its legal counsel at:

Blake, Cassels & Graydon LLP
855 2 St SW Suite 3500,
Calgary, AB T2P 4J8

Attention: Linc Rogers / Daniel McLeod / Christopher Keliher
Email: linc.rogers@blakes.com / daniel.mcleod@blakes.com
christopher.keliher@blakes.com

and

Godfrey Kahn S.C.
200 South Washington Street, Suite 100
Green Bay, WI 54301

Attention: Timothy McCoy / Nicholas Hahn
Email: Tmccoy@gklaw.com / NHahn@gklaw.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered; or
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

8.8 Invalidity of Provisions

In case any of the provisions of this Subscription Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

8.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing, including by way of-email, under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

8.10 Amendment

This Subscription Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized Representative of each Party.

8.11 Survival

Other than those representations, warranties, covenants or other agreements which by their terms contemplate performance after Closing (including those set forth in Article 6) or unless otherwise expressly provided in this Subscription Agreement, the representations, warranties, covenants and other agreements contained in this Subscription Agreement shall not survive Closing.

8.12 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription

Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement), or (ii) in connection with obtaining the Reverse Vesting Order.

8.13 Sealing Order

The Company may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Company or the Proposal Trustee containing the financial and other confidential details of these Transactions (the “**Confidential Materials**”), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Company, if granted, only the judge presiding over the Proposal Proceedings, the Purchaser and their respective Representatives shall have access to the Confidential Materials and the confidential information contained therein.

8.14 Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or
- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 4.1, 4.2 or 4.3, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to confidentiality (Section 8.12) and the use of personal information (Section 8.15), and the Deposit shall be addressed in accordance with Section 2.4.

8.15 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and
- (c) the Purchaser’s obligations set forth in this Section 8.15 shall survive the Closing Date indefinitely.

8.16 Directors

- (a) At Closing, Camille LeRouge, Michael C. Hess, Robert L. Brooks, and Cody Wickersheim shall be the directors of the Company and all other prior directors shall be deemed to have resigned effective at Closing.

(Remainder of page intentionally left blank)

8.17 Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Subscription Agreement as of the date first above written.

ATHABASCA MINERALS INC.

BADGER MINING CORPORATION

Per: _____

Name:

Title:

Per:  11/3/24

Name: Adam Katz

Title: President

THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Form of Reverse Vesting Order

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER
COURT

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

JUDICIAL CENTRE

CALGARY

MATTER

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
ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

APPLICANTS

ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP

Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON 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, approving the reverse vesting share transaction (the “**Transaction**”) in respect of AMI

contemplated by the Subscription Agreement between AMI and [REDACTED] (the “**Purchaser**”) dated [REDACTED] (the “**Subscription Agreement**”), and attached as Exhibit [REDACTED] to the affidavit of [REDACTED] sworn [REDACTED] (the “**Affidavit**”);

AND UPON HAVING READ the within Notice of Application, the [REDACTED] Affidavit and the [REDACTED] Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “**Proposal Trustee**”) dated [REDACTED] (the “[REDACTED] **Report**”), the Affidavit of Service of Kim Picard, sworn [REDACTED], the Order of this Court granted on December 12, 2023 (the “**First Order**”), and the other pleadings previously filed in the within proposal proceedings;

AND UPON HEARING the submissions of counsel for the Companies, the Proposal Trustee, the Purchaser, and such other counsel in attendance at the hearing of this application:

IT IS HEREBY ORDERED THAT:

SERVICE

1. Service of the notice of this application for this Order and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and the time for service of this application is abridged to that actually given and this application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement and the First Order, as applicable.

APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the

Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.

4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of AMI proceeding with the Transactions, and no shareholder or other approval shall be required in connection therewith.

REORGANIZATION

5. Subject to the terms of the Subscription Agreement, upon delivery of a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule "A" hereto (the "**Proposal Trustee's Certificate**"), the following, among other things, shall occur and be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Subscription Agreement:
 - a) the Purchaser shall deliver the Purchase Price (for the subscription and purchase of the Purchased Shares by AMI) to the Proposal Trustee, on behalf of and for the benefit of AMI, and the Purchase Price shall be dealt with in accordance with the Closing Sequence in the Subscription Agreement;
 - b) the Employees shall be terminated by AMI or the Companies, as applicable;
 - c) all directors of AMI immediately prior to the Closing Date shall be deemed to resign and the new director named on the Subscription Agreement shall be deemed to be appointed as sole director of AMI;
 - d) each issued and outstanding Common Share held by a Company Shareholder immediately prior to the Closing Date shall be exchanged without any further act or formality thereof for consideration in the form of one ResidualCo Share for each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;
 - e) each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock

options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order; and

- f) AMI shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with the Subscription Agreement, free and clear of and from any and all Claims, Losses and Encumbrances.
6. The Purchaser and AMI, in completing the Transactions, are authorized to:
- a) execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and
 - b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.
7. The Proposal Trustee may rely on any documents, assurances, or written notices, from AMI, the Companies, and the Purchaser, as applicable, regarding the fulfillment of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Proposal Trustee's Certificate following the receipt of such document, assurance, or written notice.
8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 ("ABCA") shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription Agreement, filed by AMI, and the effective date for any certificate or authorization issued by the Registrar shall be the date of Closing.

9. The Purchaser, the Companies, and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Reorganization, including, without limitation, the issuance of the Purchased Shares, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Reorganization.
10. This Order shall constitute the only authorization required by the Purchaser, the Companies, or ResidualCo to proceed with the Transaction, including, without limitation, the Reorganization and, except as specifically provided in the Subscription Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction in respect of the Companies is required for the due execution, delivery and performance by the Purchaser, the Companies and by ResidualCo of the Subscription Agreement and the completion of the Transaction.

VESTING OF ASSETS AND LIABILITIES

11. Subject to the terms of the Subscription Agreement, upon delivery of the Proposal Trustee's Certificate, the following, among other things, shall occur and be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Subscription Agreement:
 - a) all legal and beneficial right, title and interest of the Companies in and to the Transferred Assets (which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Encumbrances attached to the Transferred Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;

- b) all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;
- c) the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
- d) the Retained Assets will be retained by AMI in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- e) AMI shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by AMI to the Subsidiaries) using the Purchase Price. If the aggregate principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and AMI and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price then any remaining Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo)

for the benefit of ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);

- f) the Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the First Order and all other Orders of this Court granted in relation to the Proposal Proceedings;
- g) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;
- h) the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and
- i) AMI shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which AMI is a reporting issuer.

12. As of the Effective Time:

- a) AMI shall continue to hold all right, title and interest in and to the Retained Assets and Retained Contracts, free and clear of all Claims, Losses and Encumbrances other than the Retained Liabilities; and
- b) AMI shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.

13. For greater certainty, any person that, prior to the Effective Time, had a Claim, Loss, or Encumbrance other than a Retained Liability against the Companies or their assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim, Loss, or Encumbrance against or in respect of the Companies or the Retained Assets, but shall have an equivalent Claim, Loss, or Encumbrance, as applicable, against: (a) the Transferred Assets, and (b) all amounts received by ResidualCo in satisfaction of the

ResidualCo Notes (together, the “**ResidualCo Assets**”), to be administered by the Proposal Trustee in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim, Loss, or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim, Loss, or Encumbrance of any Person as against the ResidualCo Assets to be administered by the Proposal Trustee in ResidualCo.

14. For greater certainty, from and after the Effective Time, all contracts, leases, licenses, and agreements to which the Companies are a party upon delivery of the Proposal Trustee’s Certificate will be and shall remain in full force and effect upon and following delivery of the Proposal Trustee’s Certificate and no individual firm, corporation, governmental body, agency, or any other entity (collectively a “**Person**”) who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform, or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution, or other remedy) or make any demand under or in respect of any such arrangement, and no automatic termination will have any validity or effect, by reason of:
 - a) the insolvency of the Companies or the fact that the Companies sought or obtained relief under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”);
 - b) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings;
 - c) any transfer or assignment, or any change of control of Companies arising from the implementation of the Subscription Agreement, the Transaction, or the provisions of this Order; or
 - d) any event that occurred on or prior to the delivery of the Proposal Trustee’s Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Companies).

15. Notwithstanding paragraph 13, all Cure Costs shall be paid by ResidualCo to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by ResidualCo and the relevant counterparty to a Retained Contract.
16. From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims, Losses and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.
17. Upon the delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transactions, and to discharge and release all Claims, Losses and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RESIDUALCO MATTERS

18. [●] (the "**First Director**") is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.
19. Notwithstanding Section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.

20. The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.
21. ResidualCo shall be deemed to be the former employer of any former employees of AMI or the Companies who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*. For greater certainty, the Terminated Employee Claims shall be and constitute Transferred Liabilities which, pursuant to this Order and the Closing Sequence, shall be discharged as against AMI and transferred to ResidualCo.
22. The administration of ResidualCo shall remain subject to the Proposal Trustee's appointment and oversight, and this Court's oversight and these proposal proceedings.
23. In the event the ResidualCo Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, the Proposal Trustee may declare a special dividend payable to ResidualCo shareholders in such amounts as determined by the Proposal Trustee in its sole discretion. The record date for such distribution shall be set as the date of granting of this Order.
24. In addition to and without limiting the rights and protections afforded to the Proposal Trustee pursuant to the BIA, the First Order, and any subsequent Order granted by this Court in the within proceedings, the Proposal Trustee and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering ResidualCo, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Proposal Trustee pursuant to the First Order, any further Order granted in these proceedings or under the BIA shall continue to apply.

RELEASES AND OTHER PROTECTIONS

25. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:
- a) the Transferred Assets;
 - b) any and all Claims, Losses or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - c) the insolvency of the Companies prior to the Effective Time;
 - d) the commencement or existence of the notice of intention proceedings; or
 - e) the completion of the Transactions.
26. From and after the Effective Time, the Purchaser and the Companies shall be released from all Claims, Losses and Encumbrances with respect to any Taxes of, in respect of, or that relate to, the Companies, including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Companies (including their Affiliates and any predecessor corporations) pursuant to Sections 160 and 160.01 of the *Income Tax Act* (Canada) and Section 325 of the GST Legislation and including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Companies; provided, as it relates to the Purchaser and the Companies, such release shall not apply to any Taxes in respect of the business and operations conducted by the Companies after the Effective Time. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes or obligations in respect thereof that are transferred to ResidualCo.

27. From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, and (d) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.
28. Other than as provided for in the Subscription Agreement, no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these proposal proceedings or ResidualCo, except with prior leave of this Court on not less than fifteen (15) days’ prior written notice to the applicable Released Party and upon further order security, as security for costs, the full indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

MISCELLANEOUS MATTERS

29. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), AMI and the Companies are authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Companies’ records pertaining to past and current employees of the

Companies. The Purchaser shall maintain and protect the privacy of such information in accordance with Applicable Law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by AMI prior to the Effective Time.

30. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee's Certificate forthwith after delivery thereof to the Purchaser.

31. Notwithstanding:

- a) the pendency of these proceedings;
- b) any application for a bankruptcy Order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership Order issued pursuant to any such application; or
- c) the provisions of any federal or provincial statute,

the execution of the Subscription Agreement and the implementation of the Transactions shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Companies and shall not be void or voidable by creditors of ResidualCo or the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

32. Following the Effective Time, the style of cause of these proposal proceedings shall be hereby amended by being deleted and replaced in its entirety by the following:

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 **[RESIDUALCO]**

33. The Companies, the Purchaser, the Proposal Trustee, and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.
34. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Subscription Agreement and all amendments thereto, in connection with any dispute involving the Companies or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Companies or ResidualCo related in any way to the Transactions.
35. This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, including the State of Wisconsin, United States, and the State of North Dakota, United States, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee 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 and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.
36. Service of this Order may be effected by facsimile, electronic mail, personal delivery, registered mail or courier.

Justice of the Court of King's Bench of Alberta

Schedule "A" - Form of Proposal Trustee's Certificate

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER

Clerk's Stamp

COURT COURT OF KING'S BENCH OF
ALBERTA, IN BANKRUPTCY &
INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER 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 ATHABASCA
MINERALS INC., AMI SILICA INC.,
AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT
ENGINEERING LTD., 2132561
ALBERTA LTD., and 2140534 ALBERTA
LTD.

DOCUMENT **Proposal Trustee's Certificate**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP
Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

RECITALS

- A. On November 13, 2023, 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**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal trustee of the Companies’ within Proposal Proceedings (and in such capacity the “**Proposal Trustee**”).
- B. Pursuant to an Order of the Honourable _____ of the Alberta Court of King’s Bench, Judicial District of Calgary (the “**Court**”) dated _____, 2024 (the “**Transaction Approval Order**”), the Court approved the transactions contemplated by the Subscription Agreement dated _____, 2024 (the “**Subscription Agreement**”) between AMI and ● (the “**Purchaser**”).
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Shares payable on the Closing Date pursuant to the Subscription Agreement and the Transaction Approval Order;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by AMI and/or the Purchaser, as the case may be; and
3. The Transactions contemplated by the Subscription Agreement and the Transaction Approval Order have been completed to the satisfaction of the Proposal Trustee.

This Certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

**KSV Restructuring Inc., in its capacity as
Proposal Trustee of and not in its personal
or corporate capacity**

Per: _____

Name: Andrew Basi

Title: Managing Director

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, means:

- any asset designated as a Transferred Asset by the Purchaser in writing to the Company and the Proposal Trustee prior to the closing of the Transaction.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, means, unless otherwise designated by the Purchaser as a Retained Liability, all obligations or liabilities of any nature and kind owed by the Company or Companies, as applicable, including but not limited to all unsecured debt or secured debt wheresoever and howsoever arising, including by operation of the BIA, court order, or other Applicable Law. For greater certainty, but not to limit the generality of the foregoing, the Transferred Liabilities shall include, but is not limited to:

- funded indebtedness;
- promissory notes (other than the ResidualCo Notes) issued by the Companies;
- operating liabilities and Taxes related to the Transferred Assets;
- liabilities of the Companies for Taxes arising prior to or on the Closing Date, howsoever arising;
- trade claims, trade payables or other unsecured claims, including any Cure Costs or other obligations owing in connection with the Retained Contracts;
- liabilities relating to any change of control provision that may arise in connection with any change of control contemplated by the Transactions;
- liabilities associated with shareholder or other loans to the Companies;
- liabilities relating to any employment agreements, including severance and termination payments, if any, and Terminated Employee Claims;

- Claims or Losses arising from the Excluded Contracts, wheresoever and howsoever arising, including with respect to any Claims or Losses arising from the disclaimer of the Excluded Contracts;
- liabilities or obligations arising from the SISP Order and any subsequent order of the Court, including but not limited any liability or obligations secured by the following:
 - the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
 - the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- Claims or Losses of any kind or nature arising on or before the Effective Date.

Excluded Contracts

The Excluded Contracts, being those contracts, leases or agreement to be disclaimed by the Company, or Companies, includes:

- Lease of Office Space between HOOPP Realty Inc./Les Immeubles HOOPP Inc., by its duly authorized agent, Triovest Realty Advisors Inc., as landlord, and Athabasca Minerals Inc., as tenant, made as of the 19th day of October, 2022;
- Sublease between Athabasca Minerals Inc., as sublandlord, and Renown Downhole Solutions Inc., as subtenant, dated as of October 10, 2023;
- Lease between 1044155 ALTA. Ltd., as landlord, and VETS Group Ltd. - VETS Sheet Metal Ltd., as tenant, dated as of September 13, 2018 (to the extent such Lease imposes any rights, duties, or obligations, on the Company, or Companies, as applicable);
- Offer to Sub-Lease between VETS Group Ltd. - VETS Sheet Metal Ltd., as sub-landlord, and Athabasca Minerals Inc., as sub-tenant, accepted as of May 27, 2019;
- Consent to Sublease between 1044155 ALTA. Ltd., as landlord, VETS Group Ltd. - VETS Sheet Metal Ltd., as tenant, and Athabasca Minerals Inc., as subtenant, effective as of the 12th day of June, 2019;

- Offer to Lease between 1044155 Alberta Ltd., as landlord, and Athabasca Minerals Inc., as tenant, dated the 7th day of September, 2023; and
- any other contract, agreement, or commitment designated as an Excluded Contract by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Purchaser, means, unless otherwise designated by the Purchaser, all assets of every nature and kind whatsoever owned, controlled, or beneficially held by the Company or the Companies, as applicable, including but not limited to:

- the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of North Dakota;
- all cash and cash equivalents held immediately prior to closing;
- all accounts receivable, notes receivable, and other debts due or accruing due to the Company or Companies;
- all inventory;
- all intellectual property, including patents, trademarks, copyrights, tradenames, internet domain names, industrial designs, trade secrets and other proprietary information;
- all goodwill and other intangible assets;
- all Real Property;
- all books and records of the Companies, including minute books, books of account, ledgers, general, financial and accounting records, Tax Returns and other records in the possession and control of the Companies or the Proposal Trustee, but in each case excludes all books and records in respect of the Transferred Assets and Transferred Liabilities, and excludes any email correspondence of the Companies (including any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;
- the Companies' bank accounts and all agreements related thereto;
- all regulatory and license attributes of the Companies;
- including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;

- letters of intent, nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements (other than any employment agreements);
- all shares of capital stock or other equity interests in any Affiliate of the Company;
- any intercompany indebtedness or claim owing to the Company by an Affiliate of the Company;
- all organizational documents, corporate books and records, income tax returns and the corporate seal of the Company;
- any records that are required by law to be retained by the Companies;
- all computers, computer servers, and websites;
- all office equipment;
- all tax attributes, if any, of the Companies inherent to them, including all rights related to former Tax Returns, Tax Refunds (other than in respect of the Transferred Assets), and non-capital loss balance carry forwards;
- all current and prior director and officer insurance policies of the Company and all rights of any nature with respect thereto running in favor of the Company;
- any and all rights of the Company or Companies, as applicable, under this Subscription Agreement and the Reverse Vesting Order;
- all rights, Claims, Losses, Encumbrances, or causes of action by, on behalf of, or held beneficially for the Company or Companies, as applicable, against any Person;
- all equity interests or other similar investments held by the Company or Companies, as applicable; and
- without limiting the foregoing, any other asset designated as a Retained Asset by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transaction.

Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Company, from and after the Closing Time, means:

- obligations in connection with nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements to which the Companies are a party;

- any and all regulatory, environmental and government liabilities related to the Lands and Buildings and Fixtures;
- all operating liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- obligations arising in connection with Retained Contracts and Permits;
- any intercompany indebtedness or claim owing to an Affiliate of the Company; and
- any other liability or obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transaction.

Retained Contracts

The Retained Contracts, being those contracts to be retained by the Company through operation of the Reverse Vesting Order, means:

- each and every contract, agreement, and commitment held by the Company, or Companies, as applicable, in force immediately prior to the date of the Subscription Agreement, unless otherwise designated by the Purchaser.



APPENDIX "B"

Subscription Agreement Blackline

~~*Please note that further revisions may be required to the Subscription Agreement dependent upon which assets the prospective bidder wishes to include in their bid, and which assets, if any, they wish to exclude*~~

SUBSCRIPTION AGREEMENT

BETWEEN:

ATHABASCA MINERALS INC.

- and -

~~**[NAME OF PURCHASER]**~~

BADGER MINING CORPORATION OR ITS AFFILIATE

Dated:

~~**[**~~ January 31, 2024

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Retained Liabilities
Retained Contracts*

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT made as of [January 31, 2024](#).

BETWEEN:

ATHABASCA MINERALS INC. (the “Company”)

- and -

[~~INSERT NAME OF PURCHASER~~ BADGER MINING CORPORATION](#)
[OR ITS AFFILIATE](#)
(the “Purchaser”)

WHEREAS:

- A. The Company is an Alberta-based, publicly listed Alberta company with its Common Shares (as defined herein) listed on the TSX Venture Exchange under the symbol “AMI”.
- B. ~~A.~~ On November 13, 2023, the Company, TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively, the “Companies”) each filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended with the Office of the Superintendent of Bankruptcy (the “**Proposal Proceedings**”);
- C. ~~B.~~ KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”);
- D. ~~C.~~ On December 12, 2023, the Companies obtained an order from the Court of King’s Bench of Alberta (the “**Court**”) in the Judicial District of Calgary Alberta, which, among other things, approved the procedure for the ~~Companies~~-sales and investment solicitation process of the Companies (the “**SISP Order**”);
- E. ~~D.~~ Further to the SISP Order, the Company and the Purchaser entered into negotiations for the subscription for and purchase of the Purchased Shares (as defined herein) by the Purchaser, to be completed through a series of transactions between the Company and the Purchaser to proceed by way of the Reverse Vesting Order (as defined herein);
- F. ~~The~~ Subject to the conditions set forth in this Subscription Agreement and the issuance by the Court (as defined herein) of the Reverse Vesting Order (as defined herein), the Company wishes to issue to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- G. ~~F.~~ The Company shall effect a reorganization pursuant to the statutory procedure set out in Section ~~193~~192 of the *Business Corporations Act* (Alberta) (“**BCA**”), or Section 59(4) of the *BIA* (as defined below), as applicable, whereby, among other things, all

existing Common Shares (as defined herein) issued and outstanding immediately prior to the Closing Date (as defined herein) shall be deemed to be exchanged by the registered holders thereof, without any act or formality on their part, for consideration in the form of ResidualCo Shares (as defined herein) ~~and then extinguished on the basis of one ResidualCo Share being issued for each Common Share then outstanding, following which the Common Shares so transferred, and all other Equity Interests, shall be cancelled~~, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Subscription Agreement (the “**Reorganization**”);

- H. ~~G.~~ At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company; and
- I. ~~H.~~ The Transactions (as defined herein) contemplated by this Subscription Agreement are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Subscription Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

- (a) “ABCA” has the meaning ascribed thereto in the Recitals;
- (b) ~~(a)~~ “**Affiliate**” means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term “**control**” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;
- (c) ~~(b)~~ “**Applicable Law**” means, in relation to any Person, property, transaction, event or other circumstance, ~~all laws, statutes, rules, regulations~~ any transnational, foreign or domestic, federal, provincial, territorial, state, local or municipal (or any subdivision of them) law (including common law and civil law), constitution, treaty, statute, rule, regulation, code, ordinance, principle of common law or equity rule, by-law (zoning or otherwise), official directives and orders ~~directive, order~~ of Governmental Authorities (whether administrative, legislative, executive or otherwise), including any Securities Laws or requirements of stock exchanges and any consent decree or administrative order or other requirement having the

force of law, including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any ~~permit~~Permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;

- (d) “Articles of Reorganization” means the articles of reorganization of the Company in respect of the Reorganization required under Section 192(4) of the ABCA to be sent to the Registrar after the Reverse Vesting Order has been granted, giving effect to the Reorganization;
- (e) “ASC Revocation Order” means an Order or Orders of the Alberta Securities Commission, on its own behalf and to the extent necessary, on behalf of the Ontario Securities Commission and any other applicable securities regulator, authorizing the Company to cease to be a reporting issuer, effective on Closing;
- (f) “Badger Credit” means the amount of \$50,000 to be credited towards the Purchase Price as provided for in paragraph 15 of the SISP Order;
- (g) ~~(e)~~ “BIA” means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time;
- (h) ~~(d)~~ “Buildings and Fixtures” means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the ~~Lands~~land or lands owned or controlled by the Companies or any of them;
- (i) “Business” means the business and operations carried on by the Companies as at the date of this Subscription Agreement;
- (j) ~~(e)~~ “Business Day” means a day other than a Saturday, a Sunday or a statutory holiday in ~~Calgary~~,the Province of Alberta or the State of Wisconsin;
- (k) “Canadian Securities Laws” means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;
- (l) “Certificate of Reorganization” means the certificate of reorganization to be issued by the Registrar for the Reorganization pursuant to Section 192(5) of the ABCA in respect of Articles of Reorganization;
- (m) ~~(d)~~ “Claim” means any claim, action, cause of action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;

- (n) ~~(g)~~ “**Closing**” means the completion of the Transactions pursuant to this Subscription Agreement;
- (o) ~~(h)~~ “**Closing Date**” the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article ~~5~~4 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (p) ~~(i)~~ “**Closing Place**” means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (q) “**Closing Sequence**” has the meaning ascribed thereto in Section 3.3;
- (r) ~~(j)~~ “**Common Shares**” means common shares in the capital of the Company;
- (s) ~~(k)~~ “**Companies**” has the meaning ascribed thereto in the Recitals;
- ~~(t)~~ ~~“**Company Release**” has the meaning ascribed thereto in the Section 4.4(b)(iv);~~
- ~~(m)~~ ~~“**Confidentiality Agreement**” means the non-disclosure and confidentiality agreement between the Company and the Purchaser, dated [●];~~
- (t) “**Company Shareholders**” means the registered holders of issued and outstanding Common Shares as of close of business on the day prior to the Closing Date;
- (u) ~~(n)~~ “**Confidential Materials**” has the meaning ascribed thereto in Section ~~10.12~~8.13;
- (v) “**Confidentiality Agreement**” means the non-disclosure and confidentiality agreement between the Companies and Badger Mining Corporation, dated December 19, 2023;
- (w) ~~(o)~~ “**Court**” has the meaning ascribed thereto in the Recitals;
- (x) “**Cure Costs**” means all monetary defaults in relation to the Retained Contracts as at the date of Closing, other than those arising by reason only of the Companies’ insolvency or the commencement of the Proposal Proceedings;
- (y) ~~(p)~~ “**Deposit**” has the meaning ascribed thereto in Section 2.4;
- (z) ~~(q)~~ “**Effective Time**” means 12:01 a.m. on the Closing Date;
- (aa) ~~(r)~~ “**Employees**” has the meaning ascribed thereto in Section ~~3.1~~6.7;
- (bb) ~~(s)~~ “**Encumbrances**” means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts

(whether contractual, statutory or otherwise), reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, ~~taxes~~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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order, the Reverse Vesting Order or any other ~~order~~Order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of Alberta, British Columbia or any other personal property registry system or pursuant to *The Lands Title Act (Alberta)* or any other land titles or similar registry system;

(cc) ~~(c)~~—**“Equity Interests”** includes, in respect of the Company, (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; and (iii) any warrants, options, convertible, exchangeable or exercisable securities (whether convertible, non-convertible, voting or nonvoting, whether preferred, common or otherwise), subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing;

(dd) **“Excluded Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto which shall be disclaimed by the Company, or Companies, as applicable;

(ee) ~~(d)~~—**“Governmental Authority”** means any federal, national, provincial, territorial, state, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;

(ff) ~~(e)~~—**“GST”** means the goods and services tax payable pursuant to the GST Legislation;

(gg) ~~(f)~~—**“GST Legislation”** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;

~~(x) —“Indemnified Claims” has the meaning ascribed thereto in Section 4.4(b)(iv);~~

~~(y) —“KERP” means the Key Employee Retention Plan approved by the Court on December 12, 2023;~~

~~(z) —“KERP Charge” means the charge securing payment of the KERP and approved by the Court on December 12, 2023;~~

- ~~(aa) “KERP Obligations” means all obligations secured by the KERP Charge;~~
- ~~(bb) “Lands” means the lands more particularly described in Schedule “C”;~~
- (hh) “Interim Period” means the period from the date that this Subscription Agreement is entered into by the Parties through to Closing;
- (ii) ~~(ee)~~ **“Losses”** means all ~~actions, causes of action,~~ losses, costs, ~~Claims,~~ damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (jj) **“Material Adverse Effect”** means any fact or state of facts, circumstance, change, effect, occurrence or event which:
- (i) either individually is or in the aggregate are, or individually or in the aggregate could reasonably be expected to be, material and adverse to the Business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), capitalization or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole; or
- (ii) either individually or in the aggregate prevents or materially delays, or individually or in the aggregate could reasonably be expected to prevent or materially delay, the completion of the Transactions or the Company from performing its obligations under this Subscription Agreement in any material respect;
- (kk) **“Order”** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;
- (ll) ~~(dd)~~ **“Outside Date”** means March 12, 2024, or such other date as may be agreed upon between the Parties in writing;
- (mm) ~~(ee)~~ **“Parties”** means, collectively, all of the parties to this Subscription Agreement; and **“Party”** means a party to this Subscription Agreement;
- (nn) **“Permits”** means all authorizations, permits, decisions, determinations, judgments, directions, entitlements, licenses, orders, consents, approvals, notices, correspondence, directives, exemptions, registrations, rulings, advance rulings and certifications whether now existing or hereafter issued or obtained or required to be issued or obtained and which are or may be given or issued by any Governmental Authority;
- (oo) ~~(ff)~~ **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;

- (pp) ~~(gg)~~ **“Proposal Proceedings”** has the meaning ascribed thereto in the Recitals;
- (qq) ~~(hh)~~ **“Proposal Trustee”** has the meaning ascribed thereto in the Recitals;
- (rr) **“Proposal Trustee’s Certificate”** means the certificate, substantially in the form attached as Schedule “A” to the Reverse Vesting Order, to be delivered by the Proposal Trustee in accordance with Section 4.5, and thereafter filed by the Proposal Trustee with the Court;
- (ss) ~~(ii)~~ **“Purchase Price”** has the meaning set out in Section 2.2;
- (tt) ~~(jj)~~ **“Purchase Price Balance”** has the meaning set out in Section 2.2;
- (uu) ~~(kk)~~ **“Purchased Shares”** means ~~[●] [million] (●)~~ 1,000 Common Shares subscribed for by the Purchaser ~~and sold by the Company hereunder, or such greater or lesser number as will give the Purchaser 100%~~ in accordance with the Reverse Vesting Order and this Subscription Agreement, representing all of the issued and outstanding Common Shares ~~at Closing~~ of the Company at the time of issuance;
- (vv) ~~(ll)~~ **“Real Property”** means collectively ~~the Lands~~ all land or lands owned by or controlled by the Companies or any of them and all other Buildings and Fixtures;
- (ww) ~~(mm)~~ **“Recitals”** means the preamble and the recitals to this Subscription Agreement;
- ~~(nn) — “Released Parties” has the meaning ascribed thereto in Section 4.4(b)(iv);~~
- (xx) **“Registrar”** means the Registrar of Corporations or a Deputy Registrar of Corporations appointed pursuant to Section 263 of the ABCA;
- (yy) ~~(oo)~~ **“Reorganization”** has the meaning ascribed thereto in the Recitals;
- (zz) ~~(pp)~~ **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (aaa) ~~(qq)~~ **“ResidualCo”** means a corporation to be ~~incorporated by the Company~~ formed in advance of Closing, ~~to which~~ for the purposes of (i) accepting the transfer of all Transferred Assets, ~~Transferred Contracts~~, and Transferred Liabilities ~~will be transferred to~~, as part of the ~~closing sequence~~ Closing Sequence as further set out in Section ~~4.3~~ 3.3 of this Subscription Agreement, and (ii) being added as an applicant in the Proposal Proceedings upon the completion of the Transactions contemplated herein;

- (bbb) “ResidualCo Notes” means one or more non-interest bearing promissory notes issued by the Company and/or Subsidiaries in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement with an aggregate principal amount equal to the Transferred Liabilities less the value of the Transferred Assets;
- (ccc) ~~(ff)~~ “ResidualCo Shares” means the common shares of ResidualCo;
- (ddd) ~~(ss)~~ “Retained Assets” means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts, which shall be retained by the Company;
- (eee) ~~(tt)~~ “Retained Contracts” means those contracts, agreements and commitments described in Schedule “B” hereto which shall be retained by the Company;
- (fff) ~~(uu)~~ “Retained Liabilities” means those liabilities described in Schedule “B” hereto which shall be retained by the Company;
- (ggg) ~~(vv)~~ “Reverse Vesting Order” means an Order of the Court, in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the cancellation of all of the issued and outstanding Equity Interests ~~of the Company~~, other than the Purchased Shares); (b) authorizes and directs the Company to file the Articles of Reorganization with the Registrar; and ~~(bc)~~ upon the delivery of a copy of the Proposal Trustee’s Certificate to the Purchaser, among other things: (i) transfers all of the Companies’ right, title and interest in and to the Transferred Assets ~~and Transferred Contracts~~ to ResidualCo; (ii) transfers all Transferred Liabilities to ResidualCo; (iii) releases and discharges the Companies from all of the Transferred Liabilities; and (iv) releases the Companies from the purview of the Proposal Proceedings and adds ResidualCo as an entity in the Proposal Proceedings;
- (hhh) “Securities Laws” means collectively, the Canadian Securities Laws and U.S. Securities Laws;
- (iii) ~~(ww)~~ “SISP Order” has the meaning ascribed thereto in the Recitals;
- (jjj) ~~(xx)~~ “Subscription Agreement” means this subscription agreement between the Company and the Purchaser, including all ~~recitals~~ Recitals and schedules attached hereto, and “this Agreement”, “this “Subscription Agreement” “herein”, “hereto”, “hereof” and similar expressions mean and refer to this subscription agreement;
- (kkk) “Subsidiaries” means any subsidiary of the Company that has issued a ResidualCo Note in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement;

(lll) “Target Closing Date” means February 29, 2024;

(mmm) ~~(yy)~~ **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, whether disputed or not, and any liability for the payment of any such amounts as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, amounts or refunds owing in respect of any form of COVID-19 economic support, health insurance and governmental pension plan premiums or contributions;

(nnn) ~~(zz)~~ **“Tax Refunds”** means all ~~payments, subsidies, claims with respect to subsidies, credits or refunds (including payments and~~ refunds in respect of Taxes) to which the Companies are entitled ~~that arose or relate to~~ in respect of the period prior to Closing, ~~including but not limited to: (i) any refund of goods and services taxes or harmonized sales taxes, (ii) any refund of federal or provincial income taxes, and (iii) any refund of premiums or payments relating to any provincial or federal workers’ compensation fund or program;~~

(ooo) **“Tax Returns”** means all reports, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with any Taxes, including any amendment thereof, and whether in tangible or electronic form;

(ppp) ~~(aaa)~~ **“Terminated Employee Claims”** has the meaning ascribed thereto in Section ~~3-16.7;~~

(qqq) ~~(bbb)~~ **“Terminated Employees”** has the meaning ascribed thereto in Section ~~3-16.7;~~

(rrr) ~~(eee)~~ **“Third Party”** means any individual or entity other than the Companies and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

(sss) ~~(ddd)~~ **“Transactions”** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the

foregoing contemplated by or in the manner provided for in this Subscription Agreement or the Reverse Vesting Order;

(ttt) “Transfer Agent” means TSX Trust Company;

(uuu) ~~(eee)~~ “**Transferred Assets**” means those assets, if any, described in Schedule “B” hereto ~~and, where the context requires, includes the Transferred Contracts;~~

~~(fff)~~ ~~“**Transferred Contracts**” means those contracts, agreements and commitments described in Schedule “B” hereto~~ which shall be transferred the Company, or the Companies, as applicable, to ResidualCo;

(vvv) ~~(ggg)~~ “**Transferred Liabilities**” means those liabilities described in Schedule “B” hereto which shall be transferred by the Company, including without limitation, any Terminated Employee Claims or KERP Obligations or Companies, as applicable, to ResidualCo; and

~~(hhh)~~ ~~“**Trustee’s Certificate**” means the certificate to be filed by the Proposal Trustee certifying that all conditions of Closing of the Transactions contemplated by this Subscription Agreement and approved by the Reverse Vesting Order have been satisfied~~

(www) “**U.S. Securities Laws**” means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting ~~the masculine, feminine and neutral~~ all genders.

1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

Schedule “A” –	Form of Reverse Vesting Order
Schedule “B” –	Transferred Assets; Transferred Liabilities; Transferred <u>Excluded</u> Contracts; Retained Assets; Retained Liabilities and Retained Contracts
Schedule “C” –	The Lands

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

~~1.6 – Damages~~

~~All Losses in respect of which a Party has a claim pursuant to this Subscription Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.~~

1.6 ~~1.7~~ Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

~~1.8 – Interpretation if Closing Does Not Occur~~

~~In the event that Closing does not occur, each provision of this Subscription Agreement which presumes that the Purchaser has acquired the Purchased Shares or the Retained Assets hereunder shall be construed as having been contingent upon Closing having occurred.~~

1.7 ~~1.9~~ Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law or the Reverse Vesting Order, the term or condition of such Applicable Law or the Reverse Vesting Order, as applicable, shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.8 ~~1.10~~ Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, in consideration for the Purchase Price the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of all Claims, Losses and Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is ~~13,200,000~~ 13,200,000 (the “Purchase Price”). The Purchase Price shall be satisfied by: (i) the retention of the Deposit by the Company; (ii) application of the Badger Credit, and (iii) payment in cash by the Purchaser to the Company of an amount equal to the balance of the Purchase Price after the application of Sections 2.2(i) and 2.2(ii) hereof (the “Purchase Price Balance”).

2.3 Form of Payment

All payments to be made pursuant to this Subscription Agreement shall be in Canadian funds; ~~All payments to be made pursuant to this Subscription Agreement~~ and shall be made by wire transfer.

2.4 Deposit

The Parties acknowledge that a deposit in the amount of ~~1,320,000~~ 1,320,000, representing 10% of the Purchase Price, has already been delivered by the Purchaser to the Proposal Trustee, pending execution of this Subscription Agreement, and shall be released only in accordance with the provisions of this Section 2.4 (the “Deposit”). ~~The~~ Until release, the Deposit shall be held by the Proposal Trustee in a non-interest ~~bearing~~ trust account ~~until one of~~ In the following events ~~occur~~ event:

~~(a) if~~

(a) Closing occurs, the Deposit shall be paid to the Company at Closing as partial payment of the Purchase Price;

~~(b) if~~

(b) Closing does not occur ~~due to: (i) a failure to fulfill the conditions set forth in Section 5.2 or 5.3; or (ii) by the Outside Date;~~

(i) ~~as a result of a material breach of a material term~~ of this Subscription Agreement by the ~~Company and the~~ Purchaser, and (A) the conditions set out in Sections 4.1 and 4.2 have been satisfied or waived, and (B) the

Company is not in breach of any ~~of its representations, warranties and covenants herein~~ obligations hereunder, the Deposit shall be ~~returned~~ forfeited to the ~~Purchaser~~ Company for the account of the ~~Purchaser absolutely~~ Company; and

- (ii) ~~(e) if Closing does not occur due to~~ for any reason other than as ~~addressed by set out in~~ Section 2.4(b), the Deposit shall be ~~forfeited~~ retuned to the ~~Company~~ Purchaser for the account of the ~~Company absolutely~~ Purchaser.

2.5 Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered ~~by the Company~~ as a result of Closing not occurring and the Company shall retain the Deposit pursuant to Section 2.4 ~~(eb)~~ (i) ~~and the if such circumstances described therein arise. The~~ Deposit shall constitute liquidated damages to the Company; and not a penalty of Closing not occurring ~~as described in that subsection. For greater certainty, retention of the Deposit shall be the sole and exclusive remedy of the Company.~~

ARTICLE 3 PRE-CLOSING MATTERS

3.1 ~~Employee Matters~~

- ~~(a) The Parties acknowledge that the Company has provided the Purchaser with an up to date list of the names and positions of all of the Company's employees, consultants and contractors fulfilling an employee like role (collectively, "Employees") prior to the date hereof. The Parties further acknowledge that the Purchaser has provided to the Company a list of those Employees that it will not employ, and whose employment is to be terminated by the Company prior to Closing (the "Terminated Employees").~~
- ~~(b) The Company shall, prior to Closing, have terminated the employment of the Terminated Employees, as requested by the Purchaser, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all claims of the Terminated Employees in the amount equal to the payment that such Terminated Employees would have received under the BIA and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements (the "Terminated Employee Claims"), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the closing sequence, shall be discharged as against the Company and transferred to the Residual Co.~~
- ~~(c) The Company shall not make any change in the salary, benefits or other forms of compensation payable to the Employees during the period following the date hereof and ending on the Closing Date.~~

~~(d) The Purchaser acknowledges and agrees that the information received pursuant to this Section 3.1 is confidential information and shall hold and use such information in compliance with all Applicable Law and without limiting the generality of the foregoing, all Applicable Law relating to privacy.~~

ARTICLE 3~~ARTICLE 4~~ CLOSING

3.1 ~~4.1~~ Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained prior to the Outside Date.

3.2 ~~4.2~~ Effectiveness of Reverse Vesting Order

Subject to the other terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

3.3 ~~4.3~~ Closing

~~On the Closing Date, subject to the conditions set forth in Sections 5.2, 5.3 and 5.4 hereto being satisfied, complied with, or waived by the applicable Party or Parties, at or before the Outside Date, Closing shall take place in the following sequence:~~

Commencing at the Effective Time, each of the events set out below shall (and shall be deemed to) occur, except as otherwise expressly noted, sequentially in the following order, without any further authorization, act or formality (the "Closing Sequence"):

- (a) ~~First, the~~ The Purchaser shall ~~pay~~ deliver the Purchase Price (for the subscription and purchase of the Purchased Shares by the Company) to the Proposal Trustee, on behalf of and for the benefit of the Company, as follows: (1) the delivery of the written direction as contemplated in Section ~~4.43.4~~ 4(b)(i); and (2) the payment of the Purchase Price Balance to be paid in cash;
- ~~(b) Second, the Companies shall by wire transfer to and cause ResidualCo to assume the Transferred Assets and Transferred Liabilities pursuant to the Reverse Vesting Order;~~
- ~~(b)~~ (c) ~~Third, all of~~ The Employees shall be terminated by the Company or Companies², as applicable;
- (c) All legal and beneficial right, title and interest of the Companies in and to the Transferred Liabilities, but specifically excluding the Retained Liabilities, Assets (which, for certainty, does not include the Purchase Price) shall be channeled to,

~~assumed by~~ transferred to ResidualCo and shall vest absolutely and exclusively ~~in ResidualCo for the purpose of allowing with~~ ResidualCo to continue to administer the ~~Transferred Liabilities in accordance with the terms and conditions of the Reverse Vesting Order, for the benefit of the existing creditors of the Companies as at the Closing Date, and: (i) such, and all Encumbrances attached to the~~ Transferred Liabilities ~~Assets prior to the transfer~~ shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to ~~the Closing Date, as set out in paragraph 9 of the Reverse Vesting Order~~ their transfer;

- (d) Concurrently with Step 3.3(i)c ~~such~~ above, all Transferred Liabilities shall be transferred to ~~and,~~ assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ~~transfer of ResidualCo Notes and the Transferred Assets, and the Purchase Price, such that~~ the Transferred Liabilities shall be novated and become obligations of ResidualCo ~~which shall be deemed to have been party to the contracts and agreements giving rise thereto and which shall stand in place and stead of the Companies in respect of any such liability or obligation,~~ and shall no longer, under any circumstances, be or represent obligations of the Companies;
- (e) Concurrently with Step 3.3(d) above, the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
- (f) ~~(d) Fourth, each~~ Each issued and outstanding Common Share ~~outstanding~~ held by a Company Shareholder immediately prior to the Closing Date shall be ~~transferred to ResidualCo and, in~~ exchanged without any further act or formality thereof for consideration therefor, ResidualCo shall issue in the form of one (1) ResidualCo Share for each Common Share ~~outstanding~~ formerly held by each Company Shareholder immediately prior to the Closing Date;
- (g) ~~(e) Fifth, each~~ Each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order;
- ~~(f) Sixth, the Company shall have paid, assumed or otherwise satisfied the Retained Liabilities in accordance with the Reverse Vesting Order, and upon payment or assumption thereof, other than as set out in the Reverse Vesting Order, the Retained Liabilities shall be and are hereby forever released, expunged and discharged as against the Retained Assets, the Companies, and the Purchased Shares;~~

- (h) The Company shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with Section 2.1, free and clear of and from any and all Claims, Losses and Encumbrances;
- (i) ~~(g) Seventh, the~~ The Retained Assets will be retained by the Company in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any ~~encumbrances~~ Encumbrances or charges created by the SISP Order or any other ~~order~~ Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which ~~affecting~~ affect or ~~relating~~ relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- (j) ~~(h) Eighth, the~~ The Company shall ~~issuesatisfy~~ the Purchased Shares to the Purchaser free and clear of and from any and all Encumbrances, and amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by the Company to the Subsidiaries) using the Purchase Price. If the aggregate principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and the Company and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price (including the Deposit) then any remaining Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of the Companies ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);
- ~~(i) Ninth,~~
- (k) All directors of the Company Release immediately prior to the Closing Date shall be released from escrow and shall become effective deemed to resign and Camille LeRouge, Michael C. Hess, Robert L. Brooks, and Cody Wickersheim shall be deemed to be appointed as directors of the Company; and
- (l) ~~(j) Tenth, the~~ The Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the SISP Order and all other orders of the Court granted in relation to the Proposal Proceedings;
- (m) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;

- (n) Pursuant to the Reverse Vesting Order or further Order of the Court, the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and
- (o) The Company shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which the Company is a reporting issuer.

3.4 ~~4.4~~ Closing Deliveries

- (a) On the Closing Date, the Company shall deliver or cause to be delivered to the Purchaser:
 - (i) ~~an entered~~ a true copy of the Reverse Vesting Order, as granted by the Court;
 - (ii) ~~one or more share certificates duly executed by the Company, or other satisfactory evidence such as a notice of uncertified securities, representing, in aggregate, the Purchased Shares registered in the name of the Purchaser as directed by the Purchaser;~~ a true copy of the Certificate of Reorganization;
 - (iii) a true copy of the TSX Venture Exchange bulletin confirming the delisting of the Common Shares;
 - (iv) a true copy of the ASC Revocation Order;
 - (v) a true copy of a joint direction of the Company and ResidualCo to the Transfer Agent directing the Transfer Agent to (A) transfer all Common Shares held by registered Company Shareholders as at the close of business on the Business Day prior to the Closing Date to ResidualCo, (B) issue one ResidualCo Share for each Common Share formerly held by each registered Company Shareholder immediately prior to the Closing Date, (C) cancel all of the formerly held issued and outstanding Common Shares and (D) issue the Purchased Shares to the Purchaser and provide evidence of same;
 - (vi) ~~(iii)~~ a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections ~~5.44.2~~(ba) and ~~5.44.2~~(c) have been satisfied; and
 - (vii) ~~(iv)~~ all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete

the Transactions provided for in this Subscription Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

- (b) On the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company:
- (i) a written direction to the Company to retain the Deposit and apply the Badger Credit as partial payment of the Purchase Price;
 - (ii) the Purchase Price, ~~less the Deposit, pursuant to Section 2.2, which Balance~~ shall be paid to the Proposal Trustee on behalf of the Company;
 - (iii) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections ~~5.34.3(a) and 5.34.3(bc)~~ have been satisfied; and
 - ~~(iv) an irrevocable release (the "Company Release") by the Purchaser in favour of: (i) the Company's current and former directors, officers, employees, agents, representatives, and all of their respective advisors, including financial advisors and legal counsel, (the "Released Parties") from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown (collectively, the "Indemnified Claims") against any of the Released Parties, including in their capacity as equity holders of the Company, as applicable; save and except for any and all Indemnified Claims arising out of or in connection with any fraud or willful misconduct, on the part of the Released Parties; and~~
 - (iv) ~~(v)~~ all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions.

~~ARTICLE 4~~**ARTICLE 5** CONDITIONS OF CLOSING

~~5.1~~ **Required Consents**

- ~~(a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transactions. The Parties acknowledge that, except for the Reverse Vesting Order, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer~~

~~to the Purchaser, and registration of the Purchaser as owner and/or operator, of any of the Retained Assets, if any.~~

~~(b) Notwithstanding anything to the contrary herein, except for the Reverse Vesting Order, it is the sole obligation of the Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the Transactions at the Purchaser's sole cost and expense, including remedying any deficiencies under any contracts and agreements assumed by the Purchaser or that otherwise from part of the Retained Assets. Upon providing prior written notice and sufficient documentary support, all reasonable and necessary costs, fees, expenses, penalties or levies that are incurred by the Company in order to effect the Transactions pursuant to the Reverse Vesting Order shall be the sole responsibility of the Purchaser, and the Purchaser agrees to pay on behalf of the Company any such reasonable and necessary costs, fees, expenses, penalties or levies on a timely basis.~~

4.1 ~~5.2~~ Mutual Conditions

The ~~obligation~~respective obligations of the Purchaser and Company to complete the Transactions, ~~and of~~ are subject to the Company's satisfaction of, or compliance with, at or prior to sell the Purchased Shares to the Purchaser, is subject to Closing Date, the following conditions precedent:

- (a) the Reverse Vesting Order ~~being obtained; and~~ shall have been granted and entered by the Court and shall not have been vacated, set aside, or stayed, and all conditions to the effectiveness of the Reverse Vesting Order shall have been satisfied or waived in accordance with the terms thereof, or will be satisfied and waived in accordance with the Closing;
- (b) on or before Closing, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Subscription Agreement; or (iii) the effect of varying, modifying or amending the Reverse Vesting Order without the consent of the Purchaser;
- (c) ~~(b)~~ no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing; and
- (d) ResidualCo shall be incorporated.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section ~~5.24.1~~ 5.24.1 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections ~~10.11~~ 2.4, 8.12 and ~~10.14~~ 8.15) shall automatically terminate without any further action on the part of either the Company or the Purchaser.

4.2 ~~5.3~~ Purchaser's Conditions

The ~~obligation~~obligations of the Purchaser to purchase the Purchased Shares ~~is~~and complete the Transactions are subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true and correct in all material respects when made and shall remain true and correct as of the Closing Date or if made as of a date specified therein, as of such date; ~~and~~
- (b) the Company shall have executed and delivered or caused to be executed and delivered to the Purchaser at the Closing all documents contemplated by Section 3.4(a);
- (c) ~~(b)~~ all covenants, obligations or agreements of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (d) the Company shall not have issued any new Common Shares or other securities of the Company, except as provided for in the Reverse Vesting Order and this Subscription Agreement; and
- (e) there shall not have been any Material Adverse Effect during the Interim Period.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections ~~10.11~~2.4, 8.12 and ~~10.14~~8.15.

4.3 ~~5.4~~ Company's Conditions

The ~~obligation~~obligations of the Company to sell the Purchased Shares ~~is~~and complete the Transactions are subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true and correct in all material respects when made and shall remain true and correct as of the Closing Date or if made as of a date specified therein, as of such date;
- (b) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 3.4(b);

- (c) ~~(b)~~ all covenants, obligations or agreements of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (d) ~~(e)~~ all amounts to be paid by the Purchaser to the Company at Closing, including the Purchase Price Balance, shall have been paid to the Proposal Trustee, on behalf of the Company, in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections ~~10.11~~2.4, 8.12 and ~~10.14~~8.15.

4.4 ~~5.5~~ **Efforts to Fulfil Conditions Precedent**

The Purchaser and the Company shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

4.5 **Proposal Trustee's Certificate**

When the conditions to Closing set out in Sections 4.1, 4.2 and 4.3 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company, the Purchaser or their respective counsel will each deliver to the Proposal Trustee confirmation in writing that such conditions of Closing, as applicable, have been satisfied and/or waived and that the Parties are prepared for the Closing Sequence to commence (the "Conditions Certificates"). Upon receipt of the Conditions Certificates and the receipt of the Purchase Price Balance, the Proposal Trustee shall: (i) issue forthwith its Proposal Trustee's Certificate concurrently to the Company and counsel to the Purchaser, at which time the Closing will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Proposal Trustee's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and counsel to the Purchaser). In the case of: (i) and (ii) above, the Proposal Trustee will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Proposal Trustee will have no liability to the Company or the Purchaser as a result of filing the Proposal Trustee's Certificate.

~~ARTICLE 5~~**ARTICLE 6** **REPRESENTATIONS AND WARRANTIES**

5.1 ~~6.1~~ **Representations and Warranties of the Company**

The Company makes only the following representations to the Purchaser, ~~which~~ and agrees that the Purchaser is relying on such representations ~~shall not survive Closing~~ and warranties for the purposes of entering into this Subscription Agreement:

- (a) ~~subject~~Authorization, Validity and Binding Effect. Subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions; and
- ~~(b) subject to obtaining the Reverse Vesting Order,~~ this Subscription Agreement ~~is,~~ ~~and all documents~~has been duly executed and ~~delivered pursuant to this Subscription Agreement will be,~~ the Company and constitutes a legal, valid and binding ~~obligations~~obligation of ~~the~~ Company enforceable against it in accordance with ~~their terms~~its terms;
- (b) No Violations. Other than in connection with or in compliance with the provisions of applicable Securities Laws, the ABCA, and or other similar Applicable Laws (including any laws that regulate competition, antitrust, foreign investment or transportation), the terms of the Reverse Vesting Order and the filing of the Articles of Reorganization, (i) there is no legal impediment to Company's consummation of the Transactions, and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the Company in connection with the consummation of the Transactions, except for such filings or registration which, if not made, or for such authorizations, consents or approvals which, if not received, would not have a Material Adverse Effect;
- (c) Tax Matters.
- (i) The Company has made available to Purchaser for review originals or true and complete copies of: (A) material portions of income tax audit reports, statements of deficiencies, closing or other agreements or correspondence concerning assessments, reassessments or audits pursuant to which a Governmental Authority has proposed amendments to previously filed Tax Returns received by or on behalf of the Companies relating to Taxes; (B) any material federal, provincial, state, local or foreign income or franchise Tax Returns for the Companies for the Tax years ending 2021, 2022 and 2023; and (C) all material written communications to or from any Governmental Authority relating to the Taxes of the Companies over such period have been made available to Purchaser; and
- (ii) The Company has or will furnish Purchaser with originals or copies of all elections, designations or similar filings relating to Taxes of the Companies and any agreement or other arrangement in respect of Taxes or Tax Returns of the Companies that have effect for any period ending after the Closing Date;
- (d) Material Agreements. Company has provided to Purchaser on the date hereof a list of all of the following, complete and correct copies of which have been provided to Purchaser prior to the date hereof: (i) all contracts, agreements, arrangements or understandings containing any rights on the part of any Person,

including joint venture partners or entities, to acquire sand, mineral or other property rights from any one or more of the Companies; (ii) all contracts, agreements, arrangements or understandings containing any rights on the part of any one or more of the Companies to acquire sand, mineral or other property rights from any Person; (iii) any contract, agreement, arrangement or understanding to which any one or more of the Companies are a party in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition of assets or securities or other equity interests of another Person; (iv) any standstill or similar contract, agreement, arrangement or understanding currently restricting the ability of any one or more of the Companies to offer to purchase or purchase the assets or equity securities of another Person; (v) all contracts, agreements, arrangements or understandings which entitle a party to rights of termination, the terms or conditions of which may or will be altered, or which entitle a party to any fee, payment, penalty or increased consideration, in each case as a result of the execution of [this Subscription Agreement](#) or the consummation of the Transactions contemplated hereby including, without limitation, any license or similar agreements; and (vi) all contracts, agreements, arrangements or understandings pursuant to which any one or more of the Companies will, or may reasonably be expected to result in a requirement of Company to, expend more than an aggregate of \$50,000 or receive or be entitled to receive revenue of more than an aggregate of \$50,000, in either case in the next 12 months, or is out of the ordinary course of business of any one or more of the Companies;

- (e) Permits. Company has provided to Purchaser copies of all Permits relating to the assets, Business or operations of Companies. The Company has not been advised of any event occurring or circumstance existing which (with notice or lapse of time or both) may constitute or result in a violation of any such Permit except where such violation would not have a Material Adverse Effect. No proceedings are pending or threatened, which could result in the revocation or limitation of any such Permit, and all steps have been taken and filings made on a timely basis with respect to each such Permit and its renewal, except where the failure to take such steps and make such filings would not have a Material Adverse Effect;
- (f) Insurance. The Company or Companies, as applicable, has provided to the Purchaser copies of all policies of insurance naming any one or more of the Companies, as applicable, as an insured. The Company has not received any notice indicating that any such policies do not remain in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) or that any such policy will be cancelled or otherwise terminated as a result of the Transactions contemplated by this Subscription Agreement; and
- (g) Books and Records. The Company has provided to Purchaser copies in their entirety of the financial books, records and accounts of Company.

5.2 ~~6.2~~ Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) ~~the~~Organization. The Purchaser is a corporation registered and existing under the Applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on ~~business~~the Business as it is now being conducted;
- (b) ~~the~~Qualification. The Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) ~~the~~Authorization. The execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) ~~the~~No Conflict. The execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) ~~this~~Validity and Binding Effect. This Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms subject only to (i) obtaining the ASC Revocation Order and (ii) the granting of the Reverse Vesting Order;
- (f) Legal Effect. Other than (i) obtaining the ASC Revocation Order, and (ii) the granting of the Reverse Vesting Order, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement, ~~other than authorizations, approvals or exemptions from requirements previously obtained and currently in force or to be obtained prior to or after Closing~~;
- (g) ~~the~~Funds Available. The Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;

(h) Securities Law Matters.

(i) ~~(h) the~~The Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;

(ii) ~~(i) the~~The Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Company;

(iii) ~~(j) the~~The Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;

~~(k) the Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment;~~

(iv) ~~(l) the~~The Purchaser represents that it is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions of the Canadian Securities Administrators*, and/or that it meets one of the other exemptions under Canadian ~~securities laws~~Securities Laws;

(v) ~~(m) the~~The Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian ~~securities laws~~Securities Laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser's ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian ~~securities laws~~Securities Laws; and

(vi) The Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment; and

- (i) ~~(n) the~~ Compliance. The Purchaser is in compliance with all the requirements of all Governmental Authorities; ~~and~~
- ~~(o) — the Purchaser is not a non-Canadian person for the purposes of the Investment Canada Act, RSC, 1985, c.28 (1st Supp).~~

5.3 ~~6.3~~ Limitation of Representations ~~by the Company~~

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section ~~6.1~~5.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an “as is, where is” basis as they exist as of Closing;
- (b) except as expressly stated in Section ~~6.1~~5.1, none of the Company or ResidualCo or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the ~~business~~Business of the Company, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;
- (c) except for the representations and warranties of the Company set forth in Section 5.1, none of the Company, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, ~~permits~~Permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;
- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section ~~6.1~~5.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;

- (f) except as otherwise expressly provided in this Subscription Agreement, and except for fraud on the part of the Company, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Company, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section ~~6.1~~5.1. Except as set forth above in this Section 5.3(f), such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of Section ~~6.3~~5.3 shall survive and not merge on Closing.

ARTICLE 7 INDEMNITIES

~~7.1 — Purchaser's Indemnities for Representations and Warranties~~

~~The Purchaser shall be liable to the Company and ResidualCo for and shall, in addition, indemnify each of them and their respective Representatives from and against, all Losses suffered, sustained, paid or incurred by each of them or their respective Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 6.2 been accurate and truthful.~~

~~7.2 — Post-Closing Date Indemnity~~

~~Provided that Closing has occurred, the Purchaser shall:~~

ARTICLE 6 COVENANTS

6.1 Incorporation of ResidualCo

The Company shall coordinate the incorporation of ResidualCo before the Closing Date, which at incorporation shall have no issued and outstanding shares.

6.2 Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Target Closing Date.

6.3 Application for Reverse Vesting Order

As soon as practicable after the execution of this Subscription Agreement, the Company shall file with the Court a motion for the issuance of the Reverse Vesting Order. The Company shall diligently use their commercially reasonable efforts to seek the issuance and entry of the Reverse Vesting Order and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of the Reverse Vesting Order.

6.4 Court Materials

The Company shall provide the Purchaser and its Representatives with a reasonable opportunity to review and comment upon drafts of all material to be filed by the Company and its counsel with the Court in connection with the Transactions, prior to the service and filing of that material. The Company will ensure that all material filed with the Court in connection with the Transactions is consistent in all material respects with the terms of this Subscription Agreement. In addition, the Company will also provide legal counsel to the Purchaser on a timely basis with copies of any notice or other documents served on the Company or its legal counsel in respect of the application for the Reverse Vesting Order or any appeal therefrom.

6.5 Delisting from TSX

As soon as practicable after the execution of this Subscription Agreement, each of the Company and the Purchaser agree to cooperate with each other in taking, or causing to be taken, all actions necessary to delist the Common Shares from the TSX Venture Exchange.

6.6 ASC Revocation Order

As soon as practicable after the execution of this Subscription Agreement, the Company shall diligently use its commercially reasonable efforts to obtain the ASC Revocation Order.

6.7 Employee Matters

- (a) ~~be solely liable and responsible for any and all Losses which the Company, ResidualCo and their respective Representatives may suffer, sustain, pay or incur;~~ and The Parties acknowledge that the Companies have provided the Purchaser with an up-to-date list of the names, positions and calculation of all severance entitlements of all of the Companies' employees, consultants and contractors fulfilling an employee-like role (collectively, "Employees") prior to the date hereof. The Parties further acknowledge that all Employees shall be terminated by the Companies prior to Closing (the "Terminated Employees");
- (b) ~~indemnify, release and save harmless the Company, ResidualCo and their respective Representatives from any and all Losses whatsoever which may be brought against or suffered by them or which it may sustain, pay or incur;~~ The Companies shall, immediately prior to Closing, have terminated the employment of the Terminated Employees, as requested by the Purchaser, and all liabilities owing to any such Terminated Employees in respect of such terminations,

including all claims of the Terminated Employees in the amount equal to the payment that such Terminated Employees would have received under the BIA, and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements of any kind (the “Terminated Employee Claims”), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the Closing Sequence, shall be discharged as against the Company and transferred to the ResidualCo;

~~as a result of any matter or thing resulting from, attributable to or connected with the Company, the Retained Assets or the Retained Liabilities and arising or accruing after Closing-~~

ARTICLE 8 MAINTENANCE OF RETAINED ASSETS

- (c) Except as provided for in this Section 6.7, the Company shall not make any change in the salary, benefits or other forms of compensation payable to the Employees and shall not hire any additional Employees during the Interim Period; and
- (d) The Purchaser acknowledges and agrees that the information received pursuant to this Section 6.7 is “Confidential Information” as such term is defined in the Confidentiality Agreement and the Purchaser shall only be permitted to hold and use such information in compliance with the terms thereof.

6.8 ~~8.1~~ Maintenance of Retained Assets

~~From~~ and Continuation of ~~the date hereof until the Closing Date~~ Business

During the Interim Period, the ~~Company~~ Companies shall use reasonable commercial efforts, ~~to the extent that the nature of its interest permits, and~~ subject to the SISP Order and the Reverse Vesting Order:

- (a) to continue and maintain the Business in substantially the same manner as conducted on the date of this Subscription Agreement;
- (b) ~~(a)~~ to maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities;
- (c) to keep in full force and effect all existing insurance policies and give to the Purchaser notice of or present any claim made under any such insurance policies; and
- (d) ~~(b)~~ pay or cause to be paid all costs and expenses relating to the Retained Assets which become due ~~from~~ during the ~~date hereof to the Closing Date~~ Interim Period,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution or file any

undertaking with a Governmental Authority with respect to any liability management program or other program.

6.9 ~~8.2~~ Consent of the Purchaser

Notwithstanding Section ~~8.16.8~~, the ~~Company~~Companies shall not ~~from, during~~ the ~~date hereof to the Closing Date~~Interim Period, without the written consent of the Purchaser, ~~which consent shall not be unreasonably withheld, conditioned or delayed~~ acting reasonably:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets ~~of which~~or the ~~Company's share is in excess of [●]~~, except: (i) ~~in case of an emergency;~~ (ii) ~~as may be reasonably necessary to protect or ensure life and safety;~~ (iii) ~~to preserve the Retained Assets or title to the Retained Assets;~~ or (iv) ~~in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should the Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Retained Assets results, there shall be no abatement or reduction in the Purchase Price~~Business;
- (b) ~~other than pursuant to ordinary course expiries, surrender or~~, abandon, or disclaim any of the Retained Assets, ~~unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same to the Company in a timely fashion, in which event the Retained Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;~~
- (c) ~~other than in ordinary course of business,~~ materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets; ~~or~~
- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof ~~excepting: pursuant to preferential purchase rights; sales of non-material obsolete or surplus equipment;~~ or

~~8.3~~ Proposed Actions

~~If an operation or the exercise of any right or option respecting the Retained Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in the Purchaser incurring an obligation pursuant to Section 8.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "Proposal"):~~

- ~~(a) the Company shall promptly give the Purchaser notice of the Proposal, describing the particulars in reasonable detail;~~
- ~~(b) the Purchaser shall, not later than 48 hours prior to the time the Company is required to make its election with respect to the Proposal, advise the Company, by notice, whether the Purchaser wishes the Company to exercise the Company's~~

~~rights with respect to the Proposal on the Purchaser's behalf, provided that the Purchaser's failure to make such election within such period shall be deemed to be the Purchaser's election to participate in the Proposal;~~

~~(c) the Company shall make the election authorized (or deemed to be authorized) by the Purchaser with respect to the Proposal within the period during which the Company may respond to the Proposal; and~~

~~(d) the Purchaser's election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Retained Assets shall not entitle the Purchaser to any reduction of the Purchase Price if the Company's interest therein is terminated as a result of such election and such termination shall not constitute a failure or breach of the Company's representations and warranties relating to such Retained Assets.~~

(e) take or refuse to take any action which could affect or otherwise alter the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of the State of North Dakota.

6.10 ~~8.4~~ Licence Transfers

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser's sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

6.11 ~~8.5~~ Payments in Respect of Transferred Assets

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset (including a Tax Refund), the recipient of such payment or other consideration shall promptly notify the Company and promptly pay and transfer (net of any out-of-pocket expenses payable by the Company, the Purchaser or any of their respective Affiliates in respect of such amounts, if any) such payment or other consideration to the Company, on behalf of ResidualCo. From and after Closing, the Company and the Purchaser shall provide reasonable cooperation to ResidualCo to enable ResidualCo to obtain the benefit of any Transferred Asset.

6.12 ~~8.6~~ Agreement Regarding Fees

The Purchaser and the Companies hereby ~~acknowledges~~acknowledge and ~~agrees~~agree that ~~it~~each of them will be responsible for any and all fees (including any Taxes imposed on such fees) incurred by ~~the Purchaser~~them in connection with the formulation, negotiation, submission, and ~~pursuit~~finalization of ~~its bid~~this Subscription Agreement.

6.13 Disclaimer of Excluded Contracts

The Company or Companies, as applicable, shall, in consultation with the Proposal Trustee, disclaim all Excluded Contracts in accordance with Section 65.11 of the BIA, on or before the Closing Date.

ARTICLE 7~~ARTICLE 9~~ PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

7.1 ~~9.1~~ **Company to Provide Access**

Prior to Closing, the Company shall, subject to all contractual and fiduciary obligations of the Company, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession or control of the Company, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Company and ResidualCo from and against all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section ~~9.1~~7.1 shall survive the Closing Date indefinitely.

7.2 ~~9.2~~ **Access to Information**

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the ~~Company or~~ ResidualCo or the Proposal Trustee, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters, Claims, and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Company or any of them.

7.3 ~~9.3~~ Maintenance of Information

~~All~~ Subject to Applicable Law, all of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

**ARTICLE 8 ~~ARTICLE 10~~
GENERAL**

8.1 ~~10.1~~ Further Assurances

Each Party will, at the cost and expense of the requesting party, from time to time and at all times after Closing, ~~without further consideration~~, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

8.2 ~~10.2~~ Liability of the Company or ResidualCo

~~Under~~ Other than as set out in Section 2.4, under no circumstances shall the Company or ResidualCo or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

8.3 ~~10.3~~ Entire Agreement

Except for the SISP Order and the Reverse Vesting Order, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Subscription Agreement and, in the event of conflict, except for the SISP Order or the Reverse Vesting Order, the provisions of this Subscription Agreement shall prevail. In the event that Closing occurs, except for the SISP Order and the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

8.4 ~~10.4~~ Governing Law

This Subscription Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the proceedings bearing Alberta Court of King's Bench Court Action No. 25-3009380. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

8.5 ~~10.5~~ Assignment and Enurement

~~This~~ Excepting an assignment in whole of this Subscription Agreement shall not be assigned by the Purchaser from the Purchaser to an Affiliate of the Purchaser, this Subscription Agreement nor any of the rights or obligations under this Subscription Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the ~~Company,~~ which consent may be unreasonably and arbitrarily withheld other Party. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

8.6 ~~10.6~~ Time of Essence

Time is of the essence in this Subscription Agreement.

8.7 ~~10.7~~ Notices

The addresses ~~and fax numbers~~ of the Parties for delivery of notices hereunder shall be as follows:

Company: Athabasca Minerals Inc.
 407 2 Street SW, Suite 1730
 Calgary, AB T2P 2Y3

Attention: Dana Archibald, Chief Executive Officer
Email: dana.archibald@athabascaminerals.com

With a copy to its legal counsel at:

Fasken Martineau DuMoulin LLP
Suite 3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Attention: Robyn Gurofsky / Jessica Cameron
Email: rgurofsky@fasken.com / jcameron@fasken.com

Purchaser: [REDACTED]

[REDACTED] [Badger Mining Corporation](#)
[409 South Church Street, Berlin, WI 54923](#)
[REDACTED], [REDACTED] [REDACTED]
[\(920\) 361-2388](#)

Attention: [REDACTED] [Victoria Berenz](#)
Email: [REDACTED] [REDACTED] [REDACTED] [REDACTED]
vberenz@badgerminingcorp.com

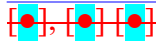
With a copy to its legal counsel at:




Blake, Cassels & Graydon LLP
855 2 St SW Suite 3500,
Calgary, AB T2P 4J8

Attention: Linc Rogers / Daniel McLeod / Christopher Keliher
Email: linc.rogers@blakes.com /
daniel.mcleod@blakes.com
christopher.keliher@blakes.com

and

Godfrey Kahn S.C.
200 South Washington Street, Suite 100
,
Green Bay, WI 54301

Attention:  Timothy McCoy / Nicholas Hahn
Email:  Tmccoy@gklaw.com /
NHahn@gklaw.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered; or
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; ~~or~~
- ~~(c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth Business Day following the date of mailing.~~

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

8.8 ~~10.8~~ **Invalidity of Provisions**

In case any of the provisions of this Subscription Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

8.9 ~~10.9~~ **Waiver**

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing, including by way of email, under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

8.10 ~~10.10~~ **Amendment**

This Subscription Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized ~~representative~~Representative of each Party.

8.11 Survival

Other than those representations, warranties, covenants or other agreements which by their terms contemplate performance after Closing (including those set forth in Article 6) or unless otherwise expressly provided in this Subscription Agreement, the representations, warranties, covenants and other agreements contained in this Subscription Agreement shall not survive Closing.

8.12 ~~10.11~~ **Confidentiality and Public Announcements**

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement); or (ii) in connection with obtaining the Reverse Vesting Order; ~~or~~ (iii) upon request by a secured creditor.

8.13 ~~10.12~~ Sealing Order

The Company may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Company or the Proposal Trustee containing the financial and other confidential details of these Transactions (the “**Confidential Materials**”), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Company, if granted, only the judge presiding over the Proposal Proceedings, the Purchaser and their respective Representatives, ~~and the secured creditors of the Company who have executed confidentiality agreements, and subject to the terms of those confidentiality agreements,~~ shall have access to the Confidential Materials and the confidential information contained therein.

8.14 ~~10.13~~ Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or
- (b) by either the Company or the Purchaser pursuant to the provisions of Sections ~~5.24.1, 5.34.2~~ or ~~5.44.3~~, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to confidentiality (Section ~~10.14~~8.12) and the use of personal information (Section ~~10.14~~8.15), and the Deposit shall be addressed in accordance with Section 2.4.

8.15 ~~10.14~~ Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and
- (c) the Purchaser’s obligations set forth in this Section ~~10.14~~8.15 shall survive the Closing Date indefinitely.

8.16 ~~10.15~~ Directors

- (a) At Closing, ~~Camille LeRouge, Michael C. Hess, Robert L. Brooks,~~ and ~~Cody Wickersheim~~ shall be the directors of the Company ~~and shall be the sole director of ResidualCo,~~ and all other prior directors shall be deemed to have resigned effective at Closing.

(Remainder of page intentionally left blank)

8.17 ~~10.16~~ Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Subscription Agreement as of the date first above written.

ATHABASCA MINERALS INC.

~~[Name of the Purchaser]~~ BADGER
MINING CORPORATION

Per: _____
Name:
Title:

Per: _____
Name: Adam Katz
Title: President

THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED [JANUARY 31, 2024](#), BETWEEN ATHABASCA MINERALS INC. AND [BADGER MINING CORPORATION OR ITS AFFILIATE](#)

Form of Reverse Vesting Order

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER
COURT

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

JUDICIAL CENTRE

CALGARY

MATTER

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
ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

APPLICANTS

ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP

Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

DATE ON WHICH ORDER WAS PRONOUNCED:

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER:

UPON 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, approving the reverse vesting share transaction (the “**Transaction**”) in respect of AMI contemplated by the Subscription Agreement between AMI and [REDACTED] (the “**Purchaser**”) dated [REDACTED] (the “**Subscription Agreement**”), and attached as Exhibit [REDACTED] to the Affidavit~~affidavit~~ of [REDACTED] sworn [REDACTED] (the “**[REDACTED] Affidavit**”);

AND UPON HAVING READ the within Notice of Application, the [REDACTED] Affidavit and the [REDACTED] Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “**Proposal Trustee**”) dated [REDACTED] (the “**[REDACTED] Report**”), the Affidavit of Service of Kim Picard, sworn [REDACTED], the Order of this Court granted on December 12, 2023 (the “**First Order**”), and the other pleadings previously filed in the within proposal proceedings;

AND UPON HEARING the submissions of counsel for the Companies, the Proposal Trustee, the Purchaser, and such other counsel in attendance at the hearing of ~~the Application~~this application:

IT IS HEREBY ORDERED THAT:

SERVICE

1. Service of the notice of this ~~Application~~application for this Order and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this ~~Application~~application, and the time for service of this ~~Application~~application is abridged to that actually given and this ~~Application~~application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement and the First Order, as applicable.

APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.
4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of ~~the Company~~AMI proceeding with the Transactions, and no shareholder or other approval shall be required in connection therewith.

~~ISSUANCE OF SHARES~~

- ~~5. — On the Closing Date, AMI is hereby authorized and directed to issue the Purchased Shares to the Purchaser in consideration for the Purchase Price, and in accordance with paragraph 6 of this Order.~~

REORGANIZATION

5. ~~6. The~~Subject to the terms of the Subscription Agreement, upon delivery of a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule "A" hereto (the "Proposal Trustee's Certificate"), the following, among other things, shall occur and ~~shall~~ be deemed to ~~have occurred at the Effective Time (as defined below), all~~occur in accordance with the ~~closing timing~~, sequence, terms and conditions set ~~out~~forth in the Subscription Agreement ~~and the steps contemplated thereunder:~~
 - a) ~~The~~the Purchaser shall ~~pay~~deliver the Purchase Price (for the subscription and purchase of the Purchased Shares by AMI) to the Proposal Trustee, on behalf of and for the benefit of AMI, and the Purchase Price shall be dealt with in

accordance with the ~~closing sequence~~ Closing Sequence in the Subscription Agreement;

- b) the Employees shall be terminated by AMI or the Companies, as applicable;
- c) all directors of AMI immediately prior to the Closing Date shall be deemed to resign and the new director named on the Subscription Agreement shall be deemed to be appointed as sole director of AMI;
- d) ~~b) Each~~ each issued and outstanding Common Share ~~outstanding shall be transferred to ResidualCo and, in~~ held by a Company Shareholder immediately prior to the Closing Date shall be exchanged without any further act or formality thereof for consideration ~~therefor, ResidualCo shall issue~~ in the form of one (1) ResidualCo Share for each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;
- e) ~~e) All~~ each Equity Interests, including Common Shares Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to ~~this~~ the Reverse Vesting Order; and
- f) ~~d) The~~ AMI shall, in consideration for the Purchase Price, issue the Purchased Shares ~~shall be issued from treasury by AMI~~ to the Purchaser in accordance with the Subscription Agreement, free and clear of and from any and all Claims, Losses and Encumbrances.

6. ~~7.~~ The Purchaser and AMI, in completing the Transactions, are authorized to:

- a) ~~Execute~~ execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may

deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and

- b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.

7. The Proposal Trustee may rely on any documents, assurances, or written notices, from AMI, the Companies, and the Purchaser, as applicable, regarding the fulfillment of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Proposal Trustee's Certificate following the receipt of such document, assurance, or written notice.

8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 (“**ABCA**”) shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription Agreement, filed by AMI, and the effective date for any certificate or authorization issued by the Registrar shall be the date of Closing.

9. The Purchaser, the Companies, and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Reorganization, including, without limitation, the issuance of the Purchased Shares, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Reorganization.

10. This Order shall constitute the only authorization required by the Purchaser, the Companies, or ResidualCo to proceed with the Transaction, including, without limitation,

the Reorganization and, except as specifically provided in the Subscription Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction in respect of the Companies is required for the due execution, delivery and performance by the Purchaser, the Companies and by ResidualCo of the Subscription Agreement and the completion of the Transaction.

VESTING OF ASSETS AND LIABILITIES

11. ~~9.~~ Subject to the terms of the Subscription Agreement, upon delivery of ~~a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule "A" hereto (the "the Proposal Trustee's Certificate")~~, the following, among other things, shall occur and be deemed to occur ~~commencing at the time of delivery of the Proposal Trustee's Certificate (the "Effective Time")~~ in accordance with the ~~following~~ timing, sequence, terms and conditions set forth in the Subscription Agreement:

- a) all legal and beneficial right, title and interest of the Companies in and to the Transferred Assets ~~shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;~~
- b) ~~all right, title and interest of the Companies in and to the Transferred Liabilities~~(which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively, ~~without recourse, in~~ with ResidualCo;
- e) ~~, and for further clarity, all right, title and interest of the Companies in and~~ all Encumbrances attached to the Transferred ~~Contracts shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;~~
- d) ~~all Claims and Encumbrances in respect of the Companies, other than the Retained Liabilities, shall be transferred to and assumed by and shall vest~~ absolutely and exclusively without recourse in ResidualCo, and (i) such Claims

~~and Encumbrances~~ Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to ~~the Effective Time, as if the Transferred Assets had not been conveyed and had remained in the possession or control of the person having that possession or control immediately prior to the~~ their transfer;

b) all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;

c) ~~e) all Claims and~~ the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances other than securing the Retained Transferred Liabilities, and any obligations thereunder, shall be ~~irrevocably and forever expunged,~~ released and discharged as against in respect of the Companies, ~~the Purchaser,~~ and the Retained Assets;

~~f) — without limiting subparagraph 9(c), any and all security registrations against the Companies (other than any security registrations in respect of a Retained Liability) shall be and are hereby forever released and discharged as against the Companies, and all such security registrations shall attach to the Transferred Assets vested in ResidualCo and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by ResidualCo of such security registrations;~~

~~g) — for clarity, the Purchase Price, less the quantum of the Administration Charge, the Interim Lender's Charge, and the KERP Charge (the "Purchase Price~~

~~Holdback”)~~, shall be transferred to, assumed by, and shall vest absolutely and exclusively without recourse in ResidualCo;

~~h) from the Purchase Price Holdback, the Proposal Trustee shall hold the quantum of the Administration Charge in a non interest bearing trust account for the beneficiaries of that charge until further Order of this Court;~~

~~i) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the Interim Lender’s Charge to JMAC Energy Services LLC, as Interim Lender, following which, the Interim Lender’s Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;~~

~~j) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the KERP charge to the beneficiaries of such charge, following which, the KERP Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;~~

d) the Retained Assets will be retained by AMI in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;

e) AMI shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by AMI to the Subsidiaries) using the Purchase Price. If the aggregate

principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and AMI and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price then any remaining Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);

- f) ~~k)~~ ~~the Companies shall cease to be Applicants in, or subject to, this Action~~ applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the notice of intention proceedings pursuant to the Bankruptcy and Insolvency Act, RSC 1985, c B 3, as amended (the "BIA") the First Order, and all other ordersOrders of this Court granted in these proceedingsrelation to the Proposal Proceedings; and
- ~~l) ResidualCo shall be substituted as the Applicant in this Action, and debtor in these proposal proceedings, nunc pro tunc, as if ResidualCo had always been a party to these proceedings since the filing date of November 13, 2023.~~
- g) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;
- h) the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and
- i) AMI shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which AMI is a reporting issuer.

12. ~~10.~~ As of the Effective Time:

- a) AMI shall continue to hold all right, title and interest in and to the Retained Assets and Retained Contracts, free and clear of all Claims, Losses and Encumbrances other than the Retained Liabilities; and
- b) AMI shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.


13. ~~11.~~ For greater certainty, any person that, prior to the Effective Time, had a Claim, Loss, or Encumbrance other than a Retained Liability against the Companies or their assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim, Loss, or Encumbrance against or in respect of the Companies or the Retained Assets, but shall have an equivalent Claim, Loss, or Encumbrance, as applicable, against: (a) the Transferred Assets, and (b) all amounts received by ResidualCo in satisfaction of the ResidualCo Notes (together, the "ResidualCo Assets"), to be administered by the Proposal Trustee in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim, Loss, or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim, Loss, or Encumbrance of any Person as against the ~~Transferred~~ResidualCo Assets to be administered by the Proposal Trustee in ResidualCo.

14. For greater certainty, from and after the Effective Time, all contracts, leases, licenses, and agreements to which the Companies are a party upon delivery of the Proposal Trustee's Certificate will be and shall remain in full force and effect upon and following delivery of the Proposal Trustee's Certificate and no individual firm, corporation, governmental body, agency, or any other entity (collectively a "Person") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform, or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution, or other remedy) or make any demand under or in respect of any such arrangement, and no automatic termination will have any validity or effect, by reason of:

- a) the insolvency of the Companies or the fact that the Companies sought or obtained relief under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “BIA”);
 - b) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings;
 - c) any transfer or assignment, or any change of control of Companies arising from the implementation of the Subscription Agreement, the Transaction, or the provisions of this Order; or
 - d) any event that occurred on or prior to the delivery of the Proposal Trustee’s Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Companies).
15. Notwithstanding paragraph 13, all Cure Costs shall be paid by ResidualCo to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by ResidualCo and the relevant counterparty to a Retained Contract.
16. ~~12.~~ From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims, Losses and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.
17. ~~13.~~ Upon the delivery of the Proposal Trustee’s Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, “**Governmental Authorities**”) are hereby authorized, requested and

directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transactions, and to discharge and release all Claims, Losses and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RESIDUALCO MATTERS

18. ~~14.~~  (the "First Director") is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.
19. ~~15.~~ ~~Notwithstanding ~~section~~ Section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.~~
20. ~~16.~~ The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.
21. ~~17.~~ ResidualCo shall be deemed to be the former employer of any former employees of AMI or the Companies who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*.
For greater certainty, the Terminated Employee Claims shall be and constitute

Transferred Liabilities which, pursuant to this Order and the Closing Sequence, shall be discharged as against AMI and transferred to ResidualCo.

22. ~~18.~~ The administration of ResidualCo shall remain subject to the Proposal Trustee's appointment and oversight, and this Court's oversight and these proposal proceedings.

23. ~~19.~~ In the event the ~~Transferred~~ResidualCo Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, the Proposal Trustee may declare a special dividend payable to ResidualCo shareholders in such amounts as determined by the Proposal Trustee in its sole discretion. The record date for such distribution shall be set as the date of granting of this Order.

24. ~~20.~~ In addition to and without limiting the rights and protections afforded to the Proposal Trustee pursuant to the BIA, the First Order, and any subsequent Order granted by this Court in the within proceedings, the Proposal Trustee and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering ResidualCo, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Proposal Trustee pursuant to the First Order, any further ~~order~~Order granted in these proceedings or under the BIA shall continue to apply.

RELEASES AND OTHER PROTECTIONS

25. ~~21.~~ From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:

- a) the Transferred Assets;

- b) any and all Claims, Losses or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
- c) the insolvency of the Companies prior to the Effective Time;
- d) the commencement or existence of the ~~NOI Proceedings~~ notice of intention proceedings; or
- e) the completion of the Transactions.

26. From and after the Effective Time, the Purchaser and the Companies shall be released from all Claims, Losses and Encumbrances with respect to any Taxes of, in respect of, or that relate to, the Companies, including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Companies (including their Affiliates and any predecessor corporations) pursuant to Sections 160 and 160.01 of the Income Tax Act (Canada) and Section 325 of the GST Legislation and including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Companies; provided, as it relates to the Purchaser and the Companies, such release shall not apply to any Taxes in respect of the business and operations conducted by the Companies after the Effective Time. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes or obligations in respect thereof that are transferred to ResidualCo.

27. ~~22.~~ From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, and (d) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in

whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “Released Claims”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.

28. ~~23. No~~ Other than as provided for in the Subscription Agreement, no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these proposal proceedings or ResidualCo, except with prior leave of this Court on not less than fifteen (15) days’ prior written notice to the applicable Released Party and upon further order security, as security for costs, the full indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

MISCELLANEOUS MATTERS

29. ~~24.~~ Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), AMI, ~~is~~ and the Companies are authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in ~~AMI~~ the Companies’s records pertaining to past and current employees of ~~AMI~~ the Companies. The Purchaser shall maintain and protect the privacy of such information in accordance with ~~applicable law~~ Applicable Law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by AMI prior to the Effective Time.

30. ~~25.~~ The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee’s Certificate forthwith after delivery thereof to the Purchaser.

31. ~~26.~~ Notwithstanding:

- a) the pendency of these proceedings;
- b) any application for a bankruptcy ~~order~~Order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership ~~order~~Order issued pursuant to any such application; or
- c) the provisions of any federal or provincial statute,

the execution of the Subscription Agreement and the implementation of the Transactions shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Companies and shall not be void or voidable by creditors of ResidualCo or the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

32. ~~27.~~ Following the Effective Time, the style of cause of these proposal proceedings shall be hereby amended by being deleted and replaced in its entirety by the following:

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 [~~ResidualCo~~RESIDUALCO]

33. ~~28.~~ The Companies, the Purchaser, the Proposal Trustee, and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.

34. ~~29.~~ This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Subscription

Agreement and all amendments thereto, in connection with any dispute involving the Companies or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Companies or ResidualCo related in any way to the Transactions.

35. ~~30.~~ This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, including the State of Wisconsin, United States, and the State of North Dakota, United States, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee 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 and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.

36. ~~31.~~ Service of this Order may be effected by facsimile, electronic mail, personal delivery, registered mail or courier.

**Justice of the Court of King's Bench of
Alberta**

Schedule "A" - Form of Proposal Trustee's Certificate

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER

COURT COURT OF KING'S BENCH OF
ALBERTA, IN BANKRUPTCY &
INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER 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 ATHABASCA
MINERALS INC., AMI SILICA INC., AMI
AGGREGATES INC., AMI ROCKCHAIN
INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and
2140534 ALBERTA LTD.


Clerk's Stamp

DOCUMENT **Proposal Trustee's Certificate**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP
Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

RECITALS

- A. ~~32.~~ On November 13, 2023, 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**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal trustee of the Companies’ within Proposal Proceedings (and in such capacity the “**Proposal Trustee**”).
- B. ~~33.~~ Pursuant to an Order of the Honourable _____ of the Alberta Court of King’s Bench, Judicial District of Calgary (the “**Court**”) dated _____, 2024 (the “**Transaction Approval Order**”), the Court approved the transactions contemplated by the Subscription Agreement dated _____, 2024 (the “**Subscription Agreement**”) between AMI and  (the “**Purchaser**”).
- C. ~~34.~~ Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Shares payable on the Closing Date pursuant to the Subscription Agreement and the Transaction Approval Order;

2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by AMI and/or the Purchaser, as the case may be; and
3. The Transactions contemplated by the Subscription Agreement and the Transaction Approval Order have been completed to the satisfaction of the Proposal Trustee.

~~4.~~ This Certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

**KSV Restructuring Inc., in its capacity as
Proposal Trustee of and not in its
personal or corporate capacity**

Per: _____

Name: Andrew Basi

Title: Managing Director

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, ~~mean~~means:

- ~~the cash received as the Purchase Price, including the Deposit;~~
- ~~all cash, bank balances, funds, deposits or monies owned or held by the Companies or any other Person (including any bank or depository) on behalf of the Companies at Closing and all cash equivalents, securities and investments of the Companies at Closing;~~
- ~~all accounts receivable, bills receivable, trade accounts, holdbacks, retention, book debts, insurance claims and other amounts due or accruing to the Companies and includes, for greater certainty, any and all Tax Refunds, and together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, which arise prior to Closing;~~
- ~~all Tax Refunds which arise prior to Closing;~~
- ~~all prepaid expenses or other security or collateral provided by the Companies; and~~
- any ~~and all other assets or interests of the Companies other than the Retained Assets~~asset designated as a Transferred Asset by the Purchaser in writing to the Company and the Proposal Trustee prior to the closing of the Transaction.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, ~~mean~~means, unless otherwise designated by the Purchaser as a Retained Liability, all obligations or liabilities of any nature and all-kind owed by the Company or Companies, as applicable, including but not limited to all unsecured debt or secured debt wheresoever and howsoever arising, including by operation of the BIA, court order, or other Applicable Law. For greater certainty, but not to limit the generality of the foregoing, the Transferred Liabilities shall include, but is not limited to:

- funded indebtedness;

- ~~any and all~~ promissory notes (other than the ResidualCo Notes) issued by the Companies;
- ~~any and all~~ operating ~~and tax~~ liabilities and Taxes related to the Transferred Assets;
- ~~any and all operating~~ liabilities of the Companies for Taxes arising prior to or on the extent they are Closing Date, howsoever arising;
- trade claims, trade payables, ~~utility bills~~ or other unsecured claims, ~~and excluding~~including any ~~amounts that would constitute a priority claim on or against any~~ Cure Costs or other obligations owing in connection with the Retained Assets Contracts;
- liabilities relating to any change of control provision that may arise in connection with any change of control contemplated by the Transactions;
- ~~any and all~~ liabilities associated with shareholder or other loans to the Companies;
- ~~any and all trade claims, trade payables or other unsecured claims;~~
- ~~any and all~~ liabilities relating to any employment agreements, including severance ~~payments~~ and/or termination payments, if any, and Terminated Employee Claims;
- Claims or Losses arising from the Excluded Contracts, wheresoever and howsoever arising, including with respect to any Claims or Losses arising from the disclaimer of the Excluded Contracts;
- liabilities or obligations arising from the SISP Order and any subsequent order of the Court, including but not limited any liability or obligations secured by the following:
 - the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
 - the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- Claims or Losses of any kind or nature arising on or before the Effective Date.

Transferred Excluded Contracts

The ~~Transferred~~ Excluded Contracts, being those ~~assets proposed to be transferred to Residual Co through operation of the Reverse Vesting Order, mean~~ contracts, leases or agreement to be disclaimed by the Company, or Companies, includes:

- Lease of Office Space between HOOPP Realty Inc./Les Immeubles HOOPP Inc., by its duly authorized agent, Triovest Realty Advisors Inc., as landlord, and Athabasca Minerals Inc., as tenant, made as of the 19th day of October, 2022;
- Sublease between Athabasca Minerals Inc., as sublandlord, and Renown Downhole Solutions Inc., as subtenant, dated as of October 10, 2023;
- Lease between 1044155 ALTA. Ltd., as landlord, and VETS Group Ltd. - VETS Sheet Metal Ltd., as tenant, dated as of September 13, 2018 (to the extent such Lease imposes any rights, duties, or obligations, on the Company, or Companies, as applicable);
- Offer to Sub-Lease between VETS Group Ltd. - VETS Sheet Metal Ltd., as sub-landlord, and Athabasca Minerals Inc., as sub-tenant, accepted as of May 27, 2019;
- ~~•~~ Consent to Sublease between 1044155 ALTA. Ltd., as landlord, VETS Group Ltd. - VETS Sheet Metal Ltd., as tenant, and Athabasca Minerals Inc., as subtenant, effective as of the 12th day of June, 2019;
- ~~•~~ Offer to Lease between 1044155 Alberta Ltd., as landlord, and Athabasca Minerals Inc., as tenant, dated the 7th day of September, 2023; and
- ~~•~~ any other contract, agreement, or commitment designated as an Excluded Contract by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the ~~Company, mean~~ Purchaser, means, unless otherwise designated by the Purchaser, all assets of every nature and kind whatsoever owned, controlled, or beneficially held by the Company or the Companies, as applicable, including but not limited to:

- the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of North Dakota;
- all cash and cash equivalents held immediately prior to closing;

- all accounts receivable, notes receivable, and other debts due or accruing due to the Company or Companies;
- all inventory;
- all intellectual property, including patents, trademarks, copyrights, tradenames, internet domain names, industrial designs, trade secrets and other proprietary information;
- all goodwill and other intangible assets;
- ~~The~~ all Real Property;
- all books and records of the Companies, including minute books, books of account, ledgers, general, financial and accounting records, ~~tax returns~~ Tax Returns and other records in the possession and control of the Companies or the Proposal Trustee, but in each case excludes all books and records in respect of the Transferred Assets and Transferred Liabilities, and excludes any email correspondence of the Companies (including any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;
- the Companies' bank accounts and all agreements related thereto ~~(the Purchaser acknowledges that the balances in such accounts shall be \$0.00 at Closing);~~
- all regulatory and license attributes of the Companies;
- including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;
- letters of intent, nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements (other than any employment agreements);
- all shares of capital stock or other ~~Equity Interests~~ equity interests in any Affiliate of the Company;
- any intercompany indebtedness or claim owing to the Company by an Affiliate of the Company;
- all organizational documents, corporate books and records, income tax returns and the corporate seal of the Company;
- any records that are required by law to be retained by the Companies;
- all computers, computer servers, and websites;

- all office equipment;
- all tax attributes, if any, of the Companies inherent to them, including all rights related to former ~~tax returns, operating, non-operating~~ Tax Returns, Tax Refunds (other than in respect of the Transferred Assets), and non-capital loss balances ~~or balance~~ carry forwards ~~and tax audits~~;
- all current and prior director and officer insurance policies of the Company and all rights of any nature with respect thereto running in favor of the Company;
- any and all rights of the Company or Companies, as applicable, under this Subscription Agreement and the Reverse Vesting Order; ~~and~~
- all rights, Claims, Losses, Encumbrances, or causes of action by ~~or~~ on behalf of, or held beneficially for the Company or Companies, as applicable, against any Person;
- all equity interests or other similar investments held by the Company or Companies, as applicable; and
- without limiting the foregoing, any other asset designated as a Retained Asset by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transaction.

Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Company, ~~mean~~ from and after the Closing Time, means:

- obligations in connection with nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements;
- ~~all new liabilities incurred, assumed or accepted by the Company after Closing to~~ which the Companies are a party;
- any and all regulatory, environmental and government liabilities related to the Lands and Buildings & and Fixtures;
- all operating ~~and tax~~ liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- obligations arising in connection with Retained Contracts and Permits;

- any intercompany indebtedness or claim owing to an Affiliate of the Company; and
- any other liability or obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the ~~Transactions~~Transaction.

Retained Contracts

The Retained Contracts, being those ~~assets~~contracts to be retained by the Company through operation of the Reverse Vesting Order, ~~mean~~means:

• —•;

• —•;

• each and

• —•;

~~THE FOLLOWING COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED ●, 2024 BETWEEN ATHABASCA MINERALS INC~~ every contract, agreement, and commitment held by the Company, or Companies, as applicable, in force immediately prior to the date of the Subscription Agreement, unless otherwise designated by the Purchaser. AND ●:

The Lands

Document comparison by Workshare Compare on Wednesday, January 31, 2024 10:38:20 AM

Input:	
Document 1 ID	file://C:\Users\cklr\Desktop\11927851-303861536_Revised Athabasca - Subscription Agreement (RVO).docx
Description	11927851-303861536_Revised Athabasca - Subscription Agreement (RVO)
Document 2 ID	netdocuments://1393-1475-6617/19
Description	Project Sandman - Subscription Agreement (RVO)
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	1042
Deletions	793
Moved from	22
Moved to	22
Style changes	0
Format changes	0
Total changes	1879



APPENDIX "C"

Deposit Confirmation



Wire Activity Report

Generated By: 30261005_DTHEYERL
Generated On: 2024-01-30 10:54:54 AM CST
Date Range: 2024-01-30 to 2024-01-30

Value Date	Funding Account	Funding Account Name	Amount	Currency	Beneficiary Name	Beneficiary Account or IBAN	Status	Approvals Received
2024-01-30	00021569634	BADGER MINING CORPORATION	1,320,000.00	CAD	KSV RESTRUCTURING INC-TRUST FOR AMI	00021556569	Confirmed	1 of 1

Ordering Customer Account:	00021569634	Reason For Failure:	
Ordering Customer Name:	BADGER MINING CORPORATION	Beneficiary Address:	220 BAY STREET, SUITE 1300, TORONTO, ON, M5J 2W4, CA
Ordering Customer Address:	409 S CHURCH ST, 54923, BERLIN WI, US, US	Beneficiary Bank ID:	BOFMCAM2
Primary Contact Number of Ordering Customer:		Beneficiary Bank ID Type:	SWIFT
Primary Contact Name of Ordering Customer:		Beneficiary Bank Name:	Bank of Montreal
Wire Type:	Commercial	Beneficiary Bank Address:	129 Rue Saint-Jacques 10th floor, MONTREAL, QC, H2Y 1L6, CA
Entry Type:	Template	Account with Institution Bank ID:	
Template Name:	AMI Inc	Account with Institution Bank ID Type:	
Charges:	BEN - Additional routing charges will be paid by the beneficiary	Account with Institution Bank Name:	
Exchange Rate:		Account with Institution Bank Address:	
FX Contract Reference:		Intermediary Bank ID:	
Revised Value Date:		Intermediary Bank ID Type:	
Converted Amount:		Intermediary Bank Name:	
Payment Details:	Badger Mining Corp Deposit	Intermediary Bank Address:	
Reference Number:	WW24012961781196 - BCA240130944962	Receiver's Corresponding ID:	
Created By:	LFRTZ	Receiver's Corresponding Bank ID Type:	
Create Date:	2024-01-29 05:50 PM ET	Receiver's Corresponding Name:	
Last Action:	Approved	Receiver's Corresponding Address:	
Last Action By:	DTHEYERL	Sender to Receiver Information:	
Last Action Date:	2024-01-30 06:53 AM ET	Related Reference Number:	

Wire Type	Status	Currency	Number of Wires	Amount
Commercial	Confirmed	CAD	1	1,320,000.00



APPENDIX "D"

Board Resolution

CORPORATE RESOLUTIONS OF BADGER MINING CORPORATION
(Submission of Offer and Participation in Sales and Investment Solicitation Process
for Athabasca Minerals Inc. and Certain Other Affiliated Companies)

RECITALS

WHEREAS, ATHABASCA MINERALS INC. (hereinafter referred to as “COMPANY”) is an Alberta, Canada-based, publicly listed Alberta company with its common shares listed on the TSX VENTURE EXCHANGE under the symbol “AMI”;

WHEREAS, on November 13, 2023, COMPANY, TERRASHIFT ENGINEERING LTD., AMI SILICA INC., AMI AGGREGATES INC., AMI ROCKCHAIN INC., 2140534 ALBERTA LTD., and 2132561 ALBERTA LTD. (hereinafter collectively referred to as “COMPANIES”) each filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada), as amended, with the Office of the Superintendent of Bankruptcy (Canada);

WHEREAS, KSV RESTRUCTURING INC. was appointed as proposal trustee of each of COMPANIES;

WHEREAS, on December 12, 2023, COMPANIES obtained an order from the Court of King’s Bench of Alberta in the Judicial District of Calgary Alberta, Canada, which, among other things, approved the procedure for the sales and investment solicitation process (hereinafter referred to as “SISP”) of COMPANIES (hereinafter referred to as “SISP ORDER”);

WHEREAS, the procedure for the SISP authorized under the SISP ORDER (hereinafter referred to as the “SISP PROCEDURE”) contemplates a stalking horse bid process culminating, if necessary, in an auction, to facilitate: (i) the acquisition of all, substantially all or a portion of the Property (as defined in the SISP PROCEDURE) through a Sale Proposal (as defined in the SISP PROCEDURE), or (ii) an investment, restructuring, reorganization, or refinancing of COMPANIES through an Investment Proposal (as defined in the SISP PROCEDURE);

WHEREAS, the SISP PROCEDURE contemplates concluding a transaction by way of a subscription agreement;

WHEREAS, BADGER MINING CORPORATION (hereinafter referred to as “BMC”) wishes to participate in the SISP in accordance with the SISP PROCEDURE, including participating in an Auction (as defined in the SISP PROCEDURE);

WHEREAS, BMC wishes to conclude a transaction by way of a subscription agreement;

WHEREAS, BMC’S Board of Directors (hereinafter referred to as “BOARD”) wishes to delegate certain powers and authorities to an authorized representative for the purpose of facilitating BMC’S participation in the SISP, submitting a Superior Offer (as defined in the SISP PROCEDURE), and ultimately concluding a transaction; and

WHEREAS, BOARD understands that: (i) the submission of a Superior Offer (as defined in the SISP PROCEDURE) under the SISP PROCEDURE is irrevocable except in accordance with the SISP PROCEDURE and (ii) BMC may be required to serve as a Backup Bidder (as defined in the SISP PROCEDURE) if BMC is not the Successful Bidder (as defined in the SISP PROCEDURE).

NOW THEREFORE, IT IS HEREBY RESOLVED that BMC is authorized to participate in the SISP in accordance with the SISP PROCEDURE and shall be entitled but not obligated to submit a Superior Offer (as defined in the SISP PROCEDURE), by way of a subscription agreement, for the purpose of concluding a transaction or transactions with COMPANIES.

IT IS FURTHER RESOLVED that any one of the following persons:

CODY J. WICKERSHEIM, CEO & Advisory Team Member;
VICTORIA J. BERENZ, CFO, Secretary, Treasurer, & Advisory Team Member;
ADAM M. KATZ, CCO & Advisory Team Member; or
MARK L. HESS, President & Advisory Team Member,

is hereby vested with all authority and powers of BOARD to conclude a transaction or transactions with COMPANIES in connection with the SISP and the SISP PROCEDURE. Such authority shall include but is not limited to:

1. authorizing the submission of a Superior Offer (as defined in the SISP PROCEDURE) on behalf of BMC;
2. authorizing BMC'S participation in any Auction (as defined in the SISP PROCEDURE) conducted in accordance with the SISP PROCEDURE;
3. binding BMC at any Auction (as defined in the SISP PROCEDURE) held in accordance with the SISP PROCEDURE, including with respect to the total consideration offered by BMC to conclude a transaction or transactions with COMPANIES;
4. concluding a transaction or transactions with COMPANIES on such terms or conditions as circumstances or conditions warrant; and
5. executing documents and taking all actions on behalf of BMC necessary to effectuate such transaction or transactions with COMPANIES.

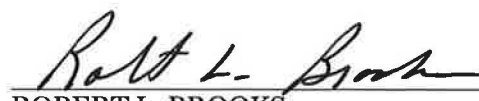
These Resolutions shall be effective immediately.

The undersigned, VICTORIA J. BERENZ, Advisory Team Member and a Principal Officer for BMC, and ROBERT L. BROOKS, Director for BMC, do hereby certify that the above is a true and correct representation of the above Resolutions adopted by unanimous consent of BOARD, consisting of W.M. McMonigal, Robert L. Brooks, Mathew J. Hess, Michael C. Hess, Timothy J. Wuest, Vicky M. Wuest via email, as of January 29, 2024, and each member of BOARD has accordingly waived the notice of meeting requirements set forth in section 3.07 of BMC Bylaws for purposes hereof.

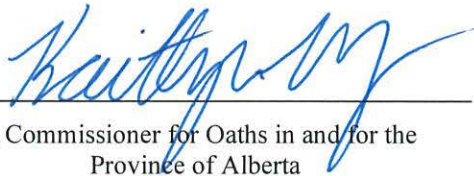
The undersigned further certify that the above Resolutions remain in full force and effect.

Dated this 29th day of January 2024.


VICTORIA J. BERENZ
Advisory Team Member


ROBERT L. BROOKS
Director

This is Exhibit "B"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 26th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

Douglas Nishimura

Partner

T 403-260-8548

F 403-264-7084

dnishimura@fieldlaw.com

Assistant: Elvina Hussein

T 403-232-1797

ehussein@fieldlaw.com

Our File: 77794-5

Dated effective January 31, 2024

VIA EMAILFasken Martineau DuMoulin LLP
3400, 350 - 7 Avenue SW
Calgary, AB T2P 3N9Bennett Jones LLP
4500, 855 2 Street S.W.
Calgary, AB T2P 4K7**Attention: Robyn Gurofsky / Jessica Cameron****Attention: Michael Selnes**KSV Advisory Inc.
1165, 324 - 8 Avenue S.W.
Calgary, AB T2P 2Z2**Attention: Andrew Basi****Re: In the Matter of the Notice of Intention to Make a Proposal of Athabasca Minerals Inc.
("Athabasca") et al
Court of King's Bench File No.: B301 009380**

We are counsel to JMAC Energy Services, LLC ("**JMAC LLC**") and JMAC Resources Ltd. ("**JMAC Resources**" and together with JMAC LLC, the "**JMAC Parties**") and further to the Procedure for the Sales and Investment Solicitation Process of Athabasca Minerals Inc. et al that was approved by the Court of King's Bench on December 12, 2023 (the "**SISP**"), please find enclosed documents relating to a bid made by the JMAC Parties pursuant to Section 23 of the SISP (the "**Offer**"). As you will note, the bid contemplates two agreements, which are to be closed consecutively, being a Share Purchase Agreement whereby shares of AMI Silica LLC are transferred to the JMAC Parties and a Subscription Agreement largely in the form provided by Athabasca with respect to a purchase of Athabasca shares and they reverse Vesting Order process. The form of the transaction was undertaken by the JMAC Parties for tax purposes, as JMAC's financial advisors have deemed this to be the most beneficial structure, although the JMAC Parties are prepared to discuss and refine the structure with Athabasca if necessary. Further, while these are two agreements, the transaction should be considered collectively. In any subsequent auction process as contemplated by the SISP, the aggregate purchase price in any further bid by the JMAC Parties will be, subject to any express change or further discussions between the parties, should be allocated to the two agreements in the same proportions as the offer attached hereto. Capitalized terms utilized herein but not defined have the meanings ascribed thereto in the SISP. Our responses to the requirements set out in Section 23 of the SISP are outlined below (the letters below correspond to the requirements outlined in Section 23 of the SISP):

- a. The original letter of intent was executed on December 5, 2023, outlining the terms of the Offer, which was submitted prior to the Bid Deadline, further the definitive share purchase agreement for AMI Silica LLC ("**AMIS LLC**") between Athabasca and JMAC LLC (the "**Share Purchase Agreement**") and the subscription agreement between Athabasca and JMAC Resources dated effective January 31, 2024 (the "**Subscription Agreement**") followed thereafter.
- b. Other than the Expense Reimbursement, as contemplated by the SISP, the Offer does not contemplate payment of a break fee, expense reimbursement or other form of bid protection.
- c. The JMAC Parties agree as follows:
 - i. JMAC LLC will acquire all of the voting membership units of AMIS LLC held by Athabasca pursuant to the Share Purchase Agreement; and
 - ii. JMAC Resources will acquire all of the Purchased Shares pursuant to the Subscription Agreement (as defined in the Subscription Agreement).
- d. Attached hereto as Schedule A is the duly authorized and executed Share Purchase Agreement and as Schedule B is the duly authorized and executed Subscription Agreement, each with all exhibits and schedules thereto. In the case of the Subscription Agreement, based on the template Subscription Agreement (the "**Template Agreement**"), together with a blackline of the executed agreement to the Template Agreement, and identifies or contains the following:
 - i. the purchase price and any other key economic terms expressed in Canadian dollars;
 - ii. there is no property being excluded from the Offer;
 - iii. there are no underlying assumptions regarding any pro forma capital structure; and
 - iv. we have included such other terms or conditions that the JMAC Parties believe are material to the Offer.
- e. We confirm that the JMAC Parties understand that in the event the JMAC Parties wish to pursue a different transaction structure than what is contemplated by the Template Agreement, the Companies reserve the right to provide the JMAC Parties with a further template agreement against which the JMAC Parties may prepare and submit their bid.
- f. The Offer of the JMAC Parties is not conditional on either due diligence or obtaining financing (please see Schedule C attached hereto).
- g. Attached hereto as Schedule C is correspondence confirming the financial capability of the JMAC Parties to enable the Companies and the Proposal Trustee to make a determination as to the JMAC Parties financial and other capabilities to consummate the proposed transaction.
- h. Attached hereto as Schedule D are letters stating that the Offer of the JMAC Parties is irrevocable until the selection of the Successful Bidder.
- i. We confirm that JMAC LLC will be the party to the Share Purchase Agreement and JMAC Resources will be the party to the Subscription Agreement, each of which are benefiting from the Offer.



- j. We understand that pursuant to the terms and conditions of the SISP, the JMAC Parties are not required to submit the refundable deposit in the form of a wire transfer to a trust account specified by the Proposal Trustee.
- k. Attached hereto as Schedule E is evidence of authorization and approval from each of the JMAC Parties board of directors (or comparable governing body).
- l. Attached hereto as Schedule D are letters stating that each of the JMAC Parties, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a Backup Bidder, in the event the Successful Bidder fails to close.
- m. We confirm the Offer contemplates closing the transaction set out therein (the "**Closing**") on or before the Outside Date.

Pursuant to Section 3.1(a) of the Subscription Agreement, the JMAC Parties have instructed me to confirm that JMAC Resources intends to retain all existing employees of Athabasca as employees of Athabasca following the Closing, other than Dana Archibald, David Churchill, Cheryl Grue and Paul Leveille who will be terminated pursuant to Section 3.1(b) of the Subscription Agreement (the "**Terminated Employees**"). We anticipate that the Terminated Employees may then be hired by JMAC Resources following the Closing, if JMAC and each of the Terminated Employees agree on the terms of such employment.

The JMAC Parties note that the Companies, with the consent of the Proposal Trustee, may waive compliance with any one or more of the requirements specified herein.

Sincerely,

FIELD LLP



Douglas Nishimura
Partner





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SCHEDULE A

SHARE PURCHASE AGREEMENT



SHARE PURCHASE AGREEMENT

THIS AGREEMENT is effective as of January 31, 2024.

BETWEEN:

ATHABASCA MINERALS INC.,
a corporation existing pursuant to the *Business Corporations Act* (Alberta)
(the "**Vendor**")

- and -

JMAC ENERGY SERVICES, LLC,
a limited liability corporation existing pursuant to the laws of the state of
Delaware (the "**Purchaser**")

RECITALS

WHEREAS:

- A. the Vendor is the registered and beneficial owner of an aggregate of 125,000 voting membership units (the "**Purchaser Units**") of AMI Silica LLC (the "**Company**");
- B. the Vendor hereby contracts and agrees with the Purchaser for the absolute sale to the Purchaser of the Purchaser Units held by the Vendor, on the terms and conditions contained in this Agreement (as defined herein); and
- C. the Vendor and the Purchaser hereby agree to take all steps as may be necessary to give effect to the transactions contemplated by this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of this Agreement and the mutual terms and conditions set forth herein, the parties agree as follows:

DEFINITIONS

1. In this Agreement, the following terms shall have the following respective meanings:
 - (a) "**Act**" means the *Income Tax Act* (Canada);
 - (b) "**Agreement**" means this agreement and any amendments hereof;
 - (c) "**Effective Date**" means the date first above written;
 - (d) "**Purchase Price**" has the meaning ascribed to such term in Section 3 hereof;
 - (e) "**Purchaser Units**" has the meaning ascribed to such term in the Recitals; and

- (f) "**Tax**" means any federal, provincial, state, county, municipal, local, foreign and other income, profits, gains, net worth, sales, use, *ad valorem*, gross receipts, business and occupation, estimated, stamp, custom duties, occupation, property (real or personal), franchise, capital stock, license, excise, value added, payroll, employees, income withholding, social security, workers compensation levy, employment insurance or other tax and any penalty, fine, addition to tax and interest on the foregoing.

PURCHASE AND SALE OF THE PURCHASER UNITS

2. Subject to the terms of this Agreement, the Vendor hereby sells, assigns and transfers to the Purchaser, and the Purchaser hereby purchases from the Vendor, effective as of the Effective Date, all right, title and interest of the Vendor in and to all of the Purchaser Units held by the Vendor.

PURCHASE PRICE

3. The aggregate purchase price for the Purchaser Units is \$11,000,000 (the "**Purchase Price**"), being the fair market value of the Purchaser Units. Upon receipt by the Purchaser of the share certificate representing the Purchaser Units duly endorsed for transfer and accompanied by a stock transfer power of attorney, or satisfactory evidence of registration of the Purchaser Units in the name of the Purchaser, the Purchaser shall pay the Purchase Price, as agreed upon pursuant to this Agreement, to the Vendor.
4. The Purchase Price shall be paid by the Purchaser to the Vendor, or by the Company or its counsel on behalf of the Purchaser, by way of cash, cheque or any form of electronic transfer, or as otherwise directed in writing by the Vendor, as of the Effective Date or as soon as reasonably practicable thereafter.

COVENANTS, REPRESENTATIONS AND WARRANTIES

5. The Vendor covenants, represents and warrants the following:
- (a) the Vendor is a corporation duly incorporated and is organized and validly existing under the *Business Corporations Act* (Alberta) (the "**ABCA**") and has the full requisite corporate power, capacity and authority to execute and deliver this Agreement and to perform its obligations hereunder and to convey to the Purchaser the Purchaser Units;
 - (b) this Agreement has been duly authorized, executed and delivered by the Vendor and is a legal, valid and binding obligation of the Vendor, enforceable against the Vendor by the Purchaser in accordance with its terms, subject to bankruptcy, insolvency and similar laws relating to or affecting creditors' rights generally and to general principles of equity;
 - (c) the Vendor is the registered and beneficial holder of the Purchaser Units, which represent 50% of the 250,000 voting membership units of the Company that are issued and outstanding;
 - (d) the execution of this Agreement and the consummation of the transactions contemplated hereby satisfy and comply with all relevant provisions of the ABCA and no other corporate proceedings on the part of the Vendor are necessary to approve or adopt this Agreement or the transactions contemplated hereby;

- (e) the Vendor is not acting as agent or trustee for any other person and is the sole legal, registered and beneficial owner of the Purchaser Units;
 - (f) the Purchaser Units are, and as of the Effective Date and at the time of sale and transfer shall, be free and clear from all liens, charges, and encumbrances, covenants, restrictions, and reservations hereto other than pursuant the Operating Agreement of the Company;
 - (g) there is no suit, action or legal or administrative proceeding existing or threatened in respect of the Purchaser Units and no person has any agreement, option, understanding or commitment, or any right or privilege, whether by law, pre-emptive or contractual, capable of becoming a right, agreement, option or commitment, for the purchase, transfer, assignment, pledge, charge or mortgage from or by the Vendor of any part of the Purchaser Units other than pursuant to this Agreement;
 - (h) the Vendor shall do all such things and deliver to the Purchaser all transfers and assignments required to convey the Purchaser Units from the Vendor to the Purchaser;
 - (i) the Vendor is not a "non-resident" of Canada for the purposes, and within the meaning, of the Act; and
 - (j) the covenants, representations, warranties and agreements contained in this Agreement shall not merge with the conveyance of the Purchaser Units into the name of the Purchaser.
6. The Purchaser covenants, represents and warrants the following:
- (a) the Purchaser is a is a limited liability corporation existing under the laws of the State of Delaware (the "**Delaware Act**") and has the full requisite corporate power, capacity and authority to execute and deliver this Agreement and to perform its obligations hereunder;
 - (b) this Agreement has been duly authorized, executed and delivered by the Purchaser and is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser by the Vendor in accordance with its terms, subject to bankruptcy, insolvency and similar laws relating to or affecting creditors' rights generally and to general principles of equity;
 - (c) the execution of this Agreement and the consummation of the transactions contemplated hereby satisfy and comply with all relevant provisions of the Delaware Act and no other corporate proceedings on the part of the Purchaser are necessary to approve or adopt this Agreement or undertake the transactions contemplated hereby; and
 - (d) the covenants, representations, warranties and agreements contained in this Agreement shall not merge with the conveyance of the Purchaser Units into the name of the Purchaser.

HEADINGS AND RECITALS

7. The headings in this Agreement are for reference purposes and shall not affect in any way the meaning and interpretation of this Agreement.
8. The Recitals to this Agreement are true and correct and form an integral part of this Agreement.

SURVIVAL OF REPRESENTATIONS AND WARRANTIES

9. The representations and warranties set out in Sections 5 and 6 of this Agreement shall survive the closing of the purchase and sale of the Purchaser Units provided for herein and shall continue in full force and effect for the benefit of the party in whose favour they are expressed to be made, and be binding upon the party by whom they are made.

TAX

10. The Vendor shall be solely responsible and liable for any Tax arising from or attributable to the sale of the Purchaser Units to the Purchaser under this Agreement.

ADJUSTMENTS

11. All profits and receipts in respect of the Purchaser Units and all costs, expenses and outgoings in respect thereof up to the Effective Date shall belong to, or, as the case may be, be paid by and discharged by the Vendor. From and after the Effective Date all profits and receipts in respect of the Purchaser Units and all costs, expenses and outgoings in respect thereof shall belong to, or, as the case may be, be paid by and discharged by the Purchaser.

TRUST AFTER EFFECTIVE DATE

12. To the extent that the Purchaser Units are not fully transferred and conveyed to the Purchaser on the Effective Date, the Vendor will hold the Purchaser Units and/or any interest therein as bare trustee and agent for the Purchaser and will not deal with the Purchaser Units in any way whatsoever except at the discretion and prior direction of the Purchaser.

AMENDMENT

13. This Agreement may not be amended, modified or varied except by an instrument in writing signed by the parties.

APPLICABLE LAW

14. This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom with respect to all matters arising hereby.

SUCCESSORS AND ASSIGNS

15. This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and their respective heirs, executors, administrators, successors and permitted assigns. Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party.

FURTHER ASSURANCES

16. The parties to this Agreement shall, without further consideration, do and perform all such further acts and execute all such further deeds and documents as are reasonably required in order to give effect to this Agreement and the transactions contemplated hereby.

ENTIRE AGREEMENT

17. This Agreement, together with any agreement and other documents to be delivered in conjunction herewith, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

TIME OF ESSENCE

18. Time shall be of the essence in this Agreement.

CURRENCY

19. Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "\$" refers to Canadian dollars.

EXECUTION

20. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall together be deemed to constitute one agreement. The Vendor and the Purchaser agree that execution and delivery of this Agreement by industry standard electronic signature software and/or by exchanging PDF signatures shall have the same legal force and effect as the exchange of original signatures and that in any proceeding arising under or relating to this Agreement, each party hereby waives any right to raise any defense or waiver based upon execution of this Agreement by means of such electronic signatures or maintenance of the executed agreement electronically.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement the date first above written.

ATHABASCA MINERALS INC.

Per: _____
Name:
Title:

JMAC ENERGY SERVICES LLC

Per: Jon McCreary
Name: Jon McCreary
Title: Director



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CALGARY / CANMORE / EDMONTON / YELLOWKNIFE

SCHEDULE B

SUBSCRIPTION AGREEMENT



SUBSCRIPTION AGREEMENT

BETWEEN:

ATHABASCA MINERALS INC.

- and -

JMAC RESOURCES LTD.

Effective as of January 31, 2024

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Retained Assets
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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT dated effective as of January 31, 2024.

BETWEEN:

ATHABASCA MINERALS INC. (the “Company”)

- and -

JMAC RESOURCES LTD. (the “Purchaser”)

WHEREAS:

- A. On November 13, 2023, the Company, TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively, the “Companies”) each filed a notice of intention to make a proposal under the BIA (as defined herein) as amended with the Office of the Superintendent of Bankruptcy (the “**Proposal Proceedings**”);
- B. KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”);
- C. On December 12, 2023, the Companies obtained an order from the Court of King’s Bench of Alberta (the “**Court**”) in the Judicial District of Calgary, Alberta, which, among other things, approved the procedure for the Companies’ sales and investment solicitation process of the Companies (the “**SISP Order**”);
- D. Further to the SISP Order, the Company and the Purchaser entered into negotiations for the subscription for and purchase of the Purchased Shares (as defined herein) by the Purchaser, to be completed through a series of transactions between the Company and the Purchaser to proceed by way of the Reverse Vesting Order (as defined herein);
- E. The Company wishes to issue from treasury to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- F. The Company shall effect a reorganization pursuant to the statutory procedure set out in Section 193 of the *Business Corporations Act* (Alberta) whereby, among other things, all existing Common Shares (as defined herein) issued and outstanding immediately prior to the Closing Date (as defined herein) shall be exchanged for consideration in the form of ResidualCo Shares (as defined herein) and then extinguished, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Agreement (the “**Reorganization**”);
- G. At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company; and

- H. The Transactions (as defined herein) contemplated by this Subscription Agreement (as defined herein) are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

- (a) **“Affiliate”** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **“control”** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;
- (b) **“AMIS LLC”** means AMI Silica LLC;
- (c) **“AMI Silica LLC Transaction”** means acquisition of the membership interest of AMIS LLC held by the Company by JMAC LLC pursuant to the terms and conditions of the Share Purchase Agreement;
- (d) **“Applicable Law”** means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (e) **“BIA”** means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended from time to time;
- (f) **“Buildings and Fixtures”** means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the Lands;
- (g) **“Business Day”** means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;

- (h) **“Claim”** means any claim, action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (i) **“Closing”** means the completion of the Transactions pursuant to this Subscription Agreement;
- (j) **“Closing Date”** the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 5 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (k) **“Closing Place”** means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (l) **“Common Shares”** means common shares in the capital of the Company;
- (m) **“Companies”** has the meaning ascribed thereto in the Recitals;
- (n) **“Company Release”** has the meaning ascribed thereto in the Section 4.4(b)(iii);
- (o) **“Confidentiality Agreement”** means the Confidentiality Agreement dated effective February 1, 2023 entered into between the Vendor and the Purchaser in connection with the Transaction;
- (p) **“Confidential Materials”** has the meaning ascribed thereto in Section 10.12;
- (q) **“Court”** has the meaning ascribed thereto in the Recitals;
- (r) **“Effective Time”** means 12:01 a.m. on the Closing Date;
- (s) **“Employees”** has the meaning ascribed thereto in Section 3.1;
- (t) **“Encumbrances”** means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), 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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order, the Reverse Vesting Order or any other order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of Alberta, British Columbia or any other personal property registry system or legislation;

- (u) **“Equity Interests”** includes: (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; and (iii) any warrants, options, convertible, exchangeable or exercisable securities, subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing;
- (v) **“Governmental Authority”** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (w) **“GST”** means the goods and services tax payable pursuant to the GST Legislation;
- (x) **“GST Legislation”** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (y) **“Indemnified Claims”** has the meaning ascribed thereto in Section 4.4(b)(iii);
- (z) **“JMAC LLC”** means JMAC Energy Services LLC;
- (aa) **“KERP”** means the Key Employee Retention Plan approved by the Court on December 12, 2023;
- (bb) **“KERP Charge”** means the charge securing payment of the KERP and approved by the Court on December 12, 2023;
- (cc) **“KERP Obligations”** means all obligations secured by the KERP Charge;
- (dd) **“Lands”** means the lands more particularly described in Schedule “C”;
- (ee) **“Losses”** means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (ff) **“Outside Date”** means March 12, 2024, or such other date as may be agreed upon between the Parties in writing;
- (gg) **“Parties”** means, collectively, all of the parties to this Subscription Agreement; and **“Party”** means a party to this Subscription Agreement;
- (hh) **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;

- (ii) **“Proposal Proceedings”** has the meaning ascribed thereto in the Recitals;
- (jj) **“Proposal Trustee”** has the meaning ascribed thereto in the Recitals;
- (kk) **“Purchase Price”** has the meaning set out in Section 2.2;
- (ll) **“Purchase Price Balance”** has the meaning set out in Section 2.2;
- (mm) **“Purchased Shares”** means the approximately 78,582,686 Common Shares subscribed for by the Purchaser and sold by the Company hereunder, or such greater or lesser number as will give the Purchaser 100% of the issued Common Shares at Closing;
- (nn) **“Real Property”** means collectively the Lands and all other Buildings and Fixtures;
- (oo) **“Recitals”** means the preamble and the recitals to this Agreement;
- (pp) **“Released Parties”** has the meaning ascribed thereto in Section 4.4(b)(iii);
- (qq) **“Reorganization”** has the meaning ascribed thereto in the Recitals;
- (rr) **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (ss) **“ResidualCo”** means a corporation to be incorporated by the Company in advance of Closing, to which the Transferred Assets, Transferred Contracts, and Transferred Liabilities will be transferred to, as part of the closing sequence as further set out in Section 4.3 of this Agreement;
- (tt) **“ResidualCo Shares”** means the common shares of ResidualCo;
- (uu) **“Retained Assets”** means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts;
- (vv) **“Retained Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto;
- (ww) **“Retained Liabilities”** means those liabilities described in Schedule “B” hereto;
- (xx) **“Reverse Vesting Order”** means an Order of the Court, in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the cancellation of all of the issued and outstanding Equity Interests of the Company, other than the Purchased Shares); and (b) upon the delivery of a copy of the Trustee’s Certificate to the Purchaser, among other things: (i) transfers all of the Companies’ right, title

and interest in and to the Transferred Assets and Transferred Contracts to ResidualCo; (ii) transfers all Transferred Liabilities to ResidualCo; (iii) releases and discharges the Companies from all of the Transferred Liabilities; and (iv) releases the Companies from the purview of the Proposal Proceedings and adds ResidualCo as an entity in the Proposal Proceedings;

- (yy) **“Share Purchase Agreement”** means the share purchase agreement dated effective January 31, 2024 between the Company and JMAC LLC in respect of the membership interest of AMIS LLC held by the Company;
- (zz) **“SISP Order”** has the meaning ascribed thereto in the Recitals;
- (aaa) **“Subscription Agreement”** means this subscription agreement between the Company and the Purchaser, including all recitals and schedules attached hereto, and **“this Agreement”**, this **“Subscription Agreement”** **“herein”**, **“hereto”**, **“hereof”** and similar expressions mean and refer to this subscription agreement;
- (bbb) **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, health insurance and governmental pension plan premiums or contributions;
- (ccc) **“Tax Refunds”** means all payments, subsidies, claims with respect to subsidies, credits or refunds (including payments and refunds in respect of Taxes) to which the Companies are entitled that arose or relate to the period prior to Closing, including but not limited to: (i) any refund of goods and services taxes or harmonized sales taxes, (ii) any refund of federal or provincial income taxes, and (iii) any refund of premiums or payments relating to any provincial or federal workers’ compensation fund or program;
- (ddd) **“Terminated Employee Claims”** has the meaning ascribed thereto in Section 3.1(b);
- (eee) **“Terminated Employees”** has the meaning ascribed thereto in Section 3.1(a);
- (fff) **“Third Party”** means any individual or entity other than the Companies and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

- (ggg) **“Transactions”** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement, the Reverse Vesting Order, and the Share Purchase Agreement;
- (hhh) **“Transferred Assets”** means those assets described in Schedule “B” hereto and, where the context requires, includes the Transferred Contracts;
- (iii) **“Transferred Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto;
- (jjj) **“Transferred Liabilities”** means those liabilities described in Schedule “B” hereto, including without limitation, any Terminated Employee Claims or KERP Obligations; and
- (kkk) **“Trustee’s Certificate”** means the certificate to be filed by the Proposal Trustee certifying that all conditions of Closing of the Transactions contemplated by this Subscription Agreement and approved by the Reverse Vesting Order have been satisfied.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

- Schedule “A” – Form of Reverse Vesting Order
- Schedule “B” – Transferred Assets; Transferred Liabilities; Transferred Contracts; Retained Assets; Retained Liabilities and Retained Contracts

Schedule “C” – The Lands

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

1.6 Damages

All Losses in respect of which a Party has a Claim pursuant to this Subscription Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.

1.7 Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Subscription Agreement which presumes that the Purchaser has acquired the Purchased Shares or the Retained Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a Schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law, the term or condition of such Applicable Law shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

**ARTICLE 2
SUBSCRIPTION OF PURCHASED SHARES**

2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of all Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is \$2,000,000 (the “**Purchase Price**”). The Purchase Price shall be satisfied by the payment in cash by the Purchaser to the Company of an amount equal to the balance of the Purchase Price (the “**Purchase Price Balance**”).

2.3 Form of Payment

All payments to be made pursuant to this Subscription Agreement shall be in Canadian funds. All payments to be made pursuant to this Subscription Agreement shall be made by wire transfer.

ARTICLE 3 PRE-CLOSING MATTERS

3.1 Employee Matters

- (a) The Parties acknowledge that the Company has provided the Purchaser with an up-to-date list of the names and positions of all of the Company’s employees, consultants and contractors fulfilling an employee-like role (collectively, “**Employees**”) prior to the date hereof. The Parties further acknowledge that the Purchaser has provided to the Company a list of those Employees that it will not employ, and whose employment is to be terminated by the Company prior to Closing (the “**Terminated Employees**”).
- (b) The Company shall, prior to Closing, have terminated the employment of the Terminated Employees, as requested by the Purchaser, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all claims of the Terminated Employees in the amount equal to the payment that such Terminated Employees would have received under the BIA and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements (the “**Terminated Employee Claims**”), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the closing sequence set out in Section 4.3 of this Agreement, shall be discharged as against the Company and transferred to the ResidualCo.
- (c) The Company shall not make any change in the salary, benefits or other forms of compensation payable to the Employees during the period following the date hereof and ending on the Closing Date.
- (d) The Purchaser acknowledges and agrees that the information received pursuant to this Section 3.1 is confidential information and shall hold and use such information in compliance with all Applicable Law and without limiting the generality of the foregoing, all Applicable Law relating to privacy.

ARTICLE 4 CLOSING

4.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained.

4.2 Effectiveness of Reverse Vesting Order

Subject to the other terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

4.3 Closing

On the Closing Date, subject to the conditions set forth in Sections 5.2, 5.3 and 5.4 hereto being satisfied, complied with, or waived by the applicable Party or Parties, at or before the Outside Date, Closing shall take place in the following sequence:

- (a) First, the Purchaser shall pay the Purchase Price to the Proposal Trustee, on behalf of the Company, to be paid in cash or wire transfer of immediately available funds;
- (b) Second, the Companies shall transfer to and cause ResidualCo to assume the Transferred Assets and Transferred Liabilities pursuant to the Reverse Vesting Order;
- (c) Third, all of the Companies' right title and interest in and to the Transferred Liabilities, but specifically excluding the Retained Liabilities, shall be channeled to, assumed by and vest absolutely and exclusively in ResidualCo for the purpose of allowing ResidualCo to continue to administer the Transferred Liabilities in accordance with the terms and conditions of the Reverse Vesting Order, for the benefit of the existing creditors of the Companies as at the Closing Date, and: (i) such Transferred Liabilities shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Closing Date, as set out in paragraph 9 of the Reverse Vesting Order; (ii) such Transferred Liabilities shall be transferred to and assumed by ResidualCo in consideration for the transfer of the Transferred Assets and the Purchase Price, such that the Transferred Liabilities shall become obligations of ResidualCo which shall be deemed to have been party to the contracts and agreements giving rise thereto and which shall stand in place and stead of the Companies in respect of any such liability or obligation, and shall no longer be obligations of the Companies;
- (d) Fourth, each Common Share outstanding immediately prior to the Closing Date shall be transferred to ResidualCo and, in consideration therefor, ResidualCo shall issue one (1) ResidualCo Share for each Common Share outstanding;

- (e) Fifth, each Equity Interest issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled in accordance with and pursuant to the Reverse Vesting Order;
- (f) Sixth, the Company shall have paid, assumed or otherwise satisfied the Retained Liabilities in accordance with the Reverse Vesting Order, and upon payment or assumption thereof, other than as set out in the Reverse Vesting Order, the Retained Liabilities shall be and are hereby forever released, expunged and discharged as against the Retained Assets, the Companies, and the Purchased Shares;
- (g) Seventh, the Retained Assets will be retained by the Company in each case free and clear of and from any and all Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order or any other order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), RSA 2000, c P-7, or any other personal property registry system or pursuant to the *Land Titles Act* (Alberta), RSA 2000, c L-4, all of which affecting or relating to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- (h) Eighth, the Company shall issue from treasury the Purchased Shares to the Purchaser free and clear of and from any and all Encumbrances, and the Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of the Companies' creditors;
- (i) Ninth, the Company Release shall be released from escrow and shall become effective; and
- (j) Tenth, the Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the SISP Order and all other orders of the Court granted in relation to the Proposal Proceedings.

4.4 Closing Deliveries

- (a) On the Closing Date, the Company shall deliver to the Purchaser:
 - (i) an entered copy of the Reverse Vesting Order;
 - (ii) one or more share certificates duly executed by the Company, or other satisfactory evidence such as a notice of uncertified securities, representing, in aggregate, the Purchased Shares registered in the name of the Purchaser as directed by the Purchaser;

- (iii) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections 5.4(b) and 5.4(c) have been satisfied; and
 - (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions.
- (b) On the Closing Date, the Purchaser shall deliver to the Company:
- (i) the Purchase Price, pursuant to Section 2.2, which shall be paid to the Proposal Trustee on behalf of the Company;
 - (ii) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 5.3(a) and 5.3(b) have been satisfied;
 - (iii) an irrevocable release (the “**Company Release**”) by the Purchaser in favour of: (i) the Company’s current and former directors, officers, employees, agents, representatives, and all of their respective advisors, including financial advisors and legal counsel, (the “**Released Parties**”) from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown (collectively, the “**Indemnified Claims**”) against any of the Released Parties, including in their capacity as equity holders of the Company, as applicable; save and except for any and all Indemnified Claims arising out of or in connection with any fraud or willful misconduct, on the part of the Released Parties; and
 - (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions.

ARTICLE 5 CONDITIONS OF CLOSING

5.1 Required Consents

- (a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transactions. The Parties acknowledge that, except for the Reverse Vesting Order, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser’s sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner and/or operator, of any of the Retained Assets, if any.

- (b) Notwithstanding anything to the contrary herein, except for the Reverse Vesting Order, it is the sole obligation of the Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the Transactions at the Purchaser's sole cost and expense, including remedying any deficiencies under any contracts and agreements assumed by the Purchaser or that otherwise from part of the Retained Assets. Upon providing prior written notice and sufficient documentary support, all reasonable and necessary costs, fees, expenses, penalties or levies that are incurred by the Company in order to effect the Transactions pursuant to the Reverse Vesting Order shall be the sole responsibility of the Purchaser, and the Purchaser agrees to pay on behalf of the Company any such reasonable and necessary costs, fees, expenses, penalties or levies on a timely basis.

5.2 Mutual Conditions

The obligation of the Purchaser to complete the Transactions, and of the Company to sell the Purchased Shares to the Purchaser, are subject to the following conditions precedent:

- (a) the closing of the AMIS LLC Transaction has occurred;
- (b) the Reverse Vesting Order being obtained; and
- (c) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 5.2 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections 10.11 and 10.14, and Section 10.12 as applicable) shall automatically terminate without any further action on the part of either the Company or the Purchaser.

5.3 Purchaser's Conditions

The obligation of the Purchaser to purchase the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true in all material respects when made and shall remain true as of the Closing Date; and
- (b) all obligations of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this

Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 10.11 and 10.14.

5.4 Company's Conditions

The obligation of the Company to sell the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) all obligations of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by the Purchaser to the Company at Closing, including the Purchase Price, shall have been paid to the Proposal Trustee, on behalf of the Company, in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 10.11 and 10.14.

5.5 Efforts to Fulfil Conditions Precedent

The Purchaser and the Company shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Company

The Company makes only the following representations to the Purchaser, which representations shall not survive Closing:

- (a) subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions; and
- (b) subject to obtaining the Reverse Vesting Order, this Subscription Agreement is, and all documents executed and delivered pursuant to this Subscription Agreement will be, legal, valid and binding obligations of the Company enforceable against it in accordance with their terms.

6.2 Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) the Purchaser is a corporation registered and existing under the Applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on business as it is now being conducted;
- (b) the Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) the execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) the execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) this Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement, other than authorizations, approvals or exemptions from requirements previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) the Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;
- (h) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;

- (i) the Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Company;
- (j) the Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;
- (k) the Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment;
- (l) the Purchaser represents that it is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions*, and/or that it meets one of the other exemptions under Canadian securities laws;
- (m) the Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian securities laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser's ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian securities laws; and
- (n) the Purchaser is in compliance with all the requirements of all Governmental Authorities.

6.3 Limitation of Representations by the Company

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section 6.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an "as is, where is" basis as they exist as of Closing;
- (b) except as expressly stated in Section 6.1, none of the Company or ResidualCo or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the business of the Company, the Purchased Shares, the Retained

Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;

- (c) none of the Company, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;
- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 6.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Subscription Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Purchaser might have against the Company, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 6.1 such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of this Section 6.3 shall survive and not merge on Closing.

ARTICLE 7 INDEMNITIES

7.1 Purchaser's Indemnities for Representations and Warranties

The Purchaser shall be liable to the Company and ResidualCo for and shall, in addition, indemnify each of them and their respective Representatives from and against, all Losses suffered, sustained,

paid or incurred by each of them or their respective Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 6.2 been accurate and truthful.

7.2 Post-Closing Date Indemnity

Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which the Company, ResidualCo and their respective Representatives may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless the Company, ResidualCo and their respective Representatives from any and all Losses whatsoever which may be brought against or suffered by them or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Company, the Retained Assets or the Retained Liabilities and arising or accruing after Closing.

ARTICLE 8 MAINTENANCE OF RETAINED ASSETS

8.1 Maintenance of Retained Assets

From the date hereof until the Closing Date, the Company shall use reasonable commercial efforts, to the extent that the nature of its interest permits, and subject to the SISP Order and the Reverse Vesting Order:

- (a) to maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Retained Assets which become due from the date hereof to the Closing Date,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution or file any undertaking with a Governmental Authority with respect to any liability management program or other program.

8.2 Consent of the Purchaser

Notwithstanding Section 8.1, the Company shall not from the date hereof to the Closing Date, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets of which the Company's share is in excess of

\$35,000, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Retained Assets or title to the Retained Assets; or (iv) in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should the Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Retained Assets results, there shall be no abatement or reduction in the Purchase Price;

- (b) other than pursuant to ordinary course expiries, surrender or abandon any of the Retained Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same to the Company in a timely fashion, in which event the Retained Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (c) other than in ordinary course of business, materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets; or
- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof excepting: pursuant to preferential purchase rights; sales of non-material obsolete or surplus equipment.

8.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Retained Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in the Purchaser incurring an obligation pursuant to Section 8.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the “**Proposal**”):

- (a) the Company shall promptly give the Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) the Purchaser shall, not later than 48 hours prior to the time the Company is required to make its election with respect to the Proposal, advise the Company, by notice, whether the Purchaser wishes the Company to exercise the Company’s rights with respect to the Proposal on the Purchaser’s behalf, provided that the Purchaser’s failure to make such election within such period shall be deemed to be the Purchaser’s election to participate in the Proposal;
- (c) the Company shall make the election authorized (or deemed to be authorized) by the Purchaser with respect to the Proposal within the period during which the Company may respond to the Proposal; and
- (d) the Purchaser’s election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Retained Assets shall not entitle the Purchaser to any reduction of the Purchase Price if the Company’s interest therein is terminated as a result of such election and such termination shall

not constitute a failure or breach of the Company's representations and warranties relating to such Retained Assets.

8.4 Licence Transfers

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser's sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

8.5 Payments in Respect of Transferred Assets

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset (including a Tax Refund), the recipient of such payment or other consideration shall promptly notify the Company and promptly pay and transfer such payment or other consideration to the Company, on behalf of ResidualCo. From and after Closing, the Company and the Purchaser shall provide reasonable cooperation to ResidualCo to enable ResidualCo to obtain the benefit of any Transferred Asset.

8.6 Agreement Regarding Fees

The Purchaser hereby acknowledges and agrees that it will be responsible for any and all fees incurred by the Purchaser in connection with the formulation, negotiation, submission, and pursuit of its bid.

ARTICLE 9 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

9.1 Company to Provide Access

Prior to Closing, the Company shall, subject to all contractual and fiduciary obligations, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession of the Company, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Company and ResidualCo from and against all liabilities, Claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 9.1 shall survive the Closing Date indefinitely.

9.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the Company or ResidualCo, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Company or any of them.

9.3 Maintenance of Information

All of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

ARTICLE 10 GENERAL

10.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

10.2 Liability of the Company or ResidualCo

Under no circumstances shall the Company or ResidualCo or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

10.3 Entire Agreement

Except for the SISP Order, Reverse Vesting Order and the Share Purchase Agreement, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Subscription Agreement and, in the event of conflict, except for the SISP Order or the Reverse Vesting Order, the provisions of this Subscription

Agreement shall prevail. In the event that Closing occurs, except for the SISP Order and the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Share Purchase Agreement and Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

10.4 Governing Law

This Subscription Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the proceedings bearing Alberta Court of King's Bench Court Action No. 25-3009380. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

10.5 Assignment and Enurement

This Subscription Agreement shall not be assigned by the Purchaser without the prior written consent of the Company, which consent may be unreasonably and arbitrarily withheld. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

10.6 Time of Essence

Time is of the essence in this Subscription Agreement.

10.7 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Company: Athabasca Minerals Inc.
407 2 Street SW, Suite 1730
Calgary, AB Canada T2P 2Y3

Attention: Dana Archibald, Chief Executive Officer
Email: dana.archibald@athabascaminerals.com

With a copy to its legal counsel at:

Fasken Martineau DuMoulin LLP
Suite 3400, 350 7 Avenue SW
Calgary, AB Canada T2P 3N9

Attention: Robyn Gurofsky / Jessica Cameron
Email: rgurofsky@fasken.com / jcameron@fasken.com

Purchaser: JMAC Resources Ltd.
c/o JMAC Energy Services LLC
121 – 48 Avenue SW
Williston, ND 58801 USA

Attention: Jon McCreary
Email: jon@jmacresources.com

With a copy to its legal counsel at:

Field LLP
444 – 7th Avenue SW, Suite 400
Calgary, AB Canada T2P 0X8

Attention: Doug Nishimura / Melissa Cook
Email: dnishimura@fieldlaw.com / mcook@fieldlaw.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth Business Day following the date of mailing.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

10.8 Invalidity of Provisions

In case any of the provisions of this Subscription Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.10 Amendment

This Subscription Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

10.11 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement); (ii) in connection with obtaining the Reverse Vesting Order; or (iii) upon request by a secured creditor.

10.12 Sealing Order

The Company may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Company or the Proposal Trustee containing the financial and other confidential details of these Transactions (the “**Confidential Materials**”), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Company, if granted, only the judge presiding over the Proposal Proceedings, the Purchaser and their respective Representatives, and the secured creditors of the Company who have executed confidentiality agreements, and subject to the terms of those confidentiality agreements, shall have access to the Confidential Materials and the confidential information contained therein.

10.13 Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or

- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 5.2, 5.3 or 5.4, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to confidentiality (Section 10.11) and the use of personal information (Section 10.14).

10.14 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and

the Purchaser's obligations set forth in this Section 10.14 shall survive the Closing Date indefinitely.

10.15 Directors

- (a) At Closing, Todd Erickson shall be the director of the Company and Todd Erickson shall be the sole director of ResidualCo, and all other prior directors shall be deemed to have resigned effective at Closing.

(Remainder of page intentionally left blank)

10.16 Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Subscription Agreement as of the date first above written.

ATHABASCA MINERALS INC.

JMAC RESOURCES LTD.

Per: _____
Name:
Title:

Per: Jon McCreary
Name: Jon McCreary
Title: President

**THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING
PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024 BETWEEN
ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.**

Form of Reverse Vesting Order

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER
COURT

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

JUDICIAL CENTRE

CALGARY

MATTER

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
ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

APPLICANTS

ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP

Attn: Robyn Gurofsky / Jessica Cameron

3400 First Canadian Centre

350-7 Avenue SW

Calgary, AB T2P 3N9

Telephone: (403) 261-9469/261-9468

Facsimile: (403) 261-5351

Email: rgurofsky@fasken.com / jcameron@fasken.com

File No. 318938.00024

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON 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, approving the reverse vesting share transaction (the “**Transaction**”) in respect of AMI

contemplated by the Subscription Agreement between AMI and [REDACTED] (the “**Purchaser**”) dated [REDACTED] (the “**Subscription Agreement**”), and attached as Exhibit [REDACTED] to the Affidavit of [REDACTED] sworn [REDACTED] (the “**Affidavit**”);

AND UPON HAVING READ the within Notice of Application, the [REDACTED] Affidavit and the [REDACTED] Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “**Proposal Trustee**”) dated [REDACTED] (the “[REDACTED] **Report**”), the Affidavit of Service of Kim Picard, sworn [REDACTED], the Order of this Court granted on December 12, 2023 (the “**First Order**”), and the other pleadings previously filed in the within proposal proceedings;

AND UPON HEARING the submissions of counsel for the Companies, the Proposal Trustee, the Purchaser, and such other counsel in attendance at the hearing of the Application:

IT IS HEREBY ORDERED THAT:

SERVICE

1. Service of the notice of this Application for this Order and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this Application, and the time for service of this Application is abridged to that actually given and this Application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement and the First Order, as applicable.

APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the

Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.

4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of the Company proceeding with the Transactions, and no shareholder or other approval shall be required in connection therewith.

ISSUANCE OF SHARES

5. On the Closing Date, AMI is hereby authorized and directed to issue the Purchased Shares to the Purchaser in consideration for the Purchase Price, and in accordance with paragraph 6 of this Order.
6. The following shall occur and shall be deemed to have occurred at the Effective Time (as defined below), all in accordance with the closing sequence set out in the Subscription Agreement and the steps contemplated thereunder:
 - a) The Purchaser shall pay the Purchase Price to the Proposal Trustee, for the benefit of AMI, and the Purchase Price shall be dealt with in accordance with the closing sequence;
 - b) Each Common Share outstanding shall be transferred to ResidualCo and, in consideration therefor, ResidualCo shall issue one (1) ResidualCo Share for each Common Share;
 - c) All Equity Interests, including Common Shares, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled in accordance with and pursuant to this Order; and
 - d) The Purchased Shares shall be issued from treasury by AMI to the Purchaser free and clear of and from any Claims and Encumbrances.
7. The Purchaser and AMI, in completing the Transactions, are authorized to:
 - a) Execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the

Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and

- b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.
8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 (“**ABCA**”) shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription Agreement, filed by AMI.

VESTING OF ASSETS AND LIABILITIES

9. Subject to the terms of the Subscription Agreement, upon delivery of a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule “A” hereto (the “**Proposal Trustee’s Certificate**”), the following shall occur and be deemed to occur commencing at the time of delivery of the Proposal Trustee’s Certificate (the “**Effective Time**”) in the following sequence:
- a) all right, title and interest of the Companies in and to the Transferred Assets shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - b) all right, title and interest of the Companies in and to the Transferred Liabilities shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - c) and for further clarity, all right, title and interest of the Companies in and to the Transferred Contracts shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - d) all Claims and Encumbrances in respect of the Companies, other than the Retained Liabilities, shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in ResidualCo, and (i) such Claims and Encumbrances shall continue to attach to the Transferred Assets with the same nature and priority

as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and had remained in the possession or control of the person having that possession or control immediately prior to the transfer;

- e) all Claims and Encumbrances other than the Retained Liabilities shall be irrevocably and forever expunged, released and discharged as against the Companies, the Purchaser, and the Retained Assets;
- f) without limiting subparagraph 9(c), any and all security registrations against the Companies (other than any security registrations in respect of a Retained Liability) shall be and are hereby forever released and discharged as against the Companies, and all such security registrations shall attach to the Transferred Assets vested in ResidualCo and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by ResidualCo of such security registrations;
- g) for clarity, the Purchase Price, less the quantum of the Administration Charge, the Interim Lender's Charge, and the KERP Charge (the "**Purchase Price Holdback**"), shall be transferred to, assumed by, and shall vest absolutely and exclusively without recourse in ResidualCo;
- h) from the Purchase Price Holdback, the Proposal Trustee shall hold the quantum of the Administration Charge in a non-interest bearing trust account for the beneficiaries of that charge until further Order of this Court;
- i) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the Interim Lender's Charge to JMAC Energy Services LLC, as Interim Lender, following which, the Interim Lender's Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;

- j) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the KERP charge to the beneficiaries of such charge, following which, the KERP Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;
 - k) the Companies shall cease to be Applicants in, or subject to, this Action and shall be released from the purview of the notice of intention proceedings pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) the First Order, and all other orders of this Court granted in these proceedings; and
 - l) ResidualCo shall be substituted as the Applicant in this Action, and debtor in these proposal proceedings, *nunc pro tunc*, as if ResidualCo had always been a party to these proceedings since the filing date of November 13, 2023.
10. As of the Effective Time:
- a) AMI shall continue to hold all right, title and interest in and to the Retained Assets, free and clear of all Claims and Encumbrances other than the Retained Liabilities; and
 - b) AMI shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.
11. For greater certainty, any person that, prior to the Effective Time, had a Claim or Encumbrance other than a Retained Liability against the Companies or their assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Companies or the Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, against the Transferred Assets to be administered by the Proposal Trustee in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim or Encumbrance of any Person as against the Transferred Assets to be administered by the Proposal Trustee in ResidualCo.

12. From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.
13. Upon the delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transactions, and to discharge and release all Claims and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RESIDUALCO MATTERS

14. An individual who is a nominee of AMI and the Purchaser (the "**First Director**") is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.
15. Notwithstanding section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.
16. The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.

17. ResidualCo shall be deemed to be the former employer of any former employees of AMI who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*.
18. The administration of ResidualCo shall remain subject to the Proposal Trustee's appointment and oversight, and this Court's oversight and these proposal proceedings.
19. In the event the Transferred Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, the Proposal Trustee may declare a special dividend payable to ResidualCo shareholders in such amounts as determined by the Proposal Trustee in its sole discretion. The record date for such distribution shall be set as the date of granting of this Order.
20. In addition to and without limiting the rights and protections afforded to the Proposal Trustee pursuant to the BIA, the First Order, and any subsequent Order granted by this Court in the within proceedings, the Proposal Trustee and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering ResidualCo, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Proposal Trustee pursuant to the First Order, any further order granted in these proceedings or under the BIA shall continue to apply.

RELEASES AND OTHER PROTECTIONS

21. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:

- a) the Transferred Assets;
 - b) any and all Claims or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - c) the insolvency of the Companies prior to the Effective Time;
 - d) the commencement or existence of the NOI Proceedings; or
 - e) the completion of the Transactions.
22. From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, and (d) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.
23. No action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these proposal proceedings or ResidualCo, except with prior leave of this Court on not less than fifteen (15) days’ prior written notice to the applicable Released Party and upon further order security, as security for costs, the full

indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

MISCELLANEOUS MATTERS

24. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), AMI, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in AMI's records pertaining to past and current employees of AMI. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by AMI prior to the Effective Time.
25. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee's Certificate forthwith after delivery thereof to the Purchaser.
26. Notwithstanding:
 - a) the pendency of these proceedings;
 - b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership order issued pursuant to any such application; or
 - c) the provisions of any federal or provincial statute,

the execution of the Agreement and the implementation of the Transactions shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Companies and shall not be void or voidable by creditors of ResidualCo or the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute

oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

27. Following the Effective Time, the style of cause of these proposal proceedings shall be hereby amended by being deleted and replaced in its entirety by the following:

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 **ResidualCo**

28. The Companies, the Purchaser, the Proposal Trustee, and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.
29. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Subscription Agreement and all amendments thereto, in connection with any dispute involving the Companies or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Companies or ResidualCo related in any way to the Transactions.
30. This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee 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 and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.

31. Service of this Order may be effected by facsimile, electronic mail, personal delivery, registered mail or courier.

**Justice of the Court of King's Bench of
Alberta**

Schedule "A" - Form of Proposal Trustee's Certificate

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER

Clerk's Stamp

COURT COURT OF KING'S BENCH OF
ALBERTA, IN BANKRUPTCY &
INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER 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 ATHABASCA
MINERALS INC., AMI SILICA INC.,
AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT
ENGINEERING LTD., 2132561
ALBERTA LTD., and 2140534 ALBERTA
LTD.

DOCUMENT **Proposal Trustee's Certificate**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Fasken Martineau DuMoulin LLP
Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

RECITALS

32. On November 13, 2023, 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**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal trustee of the Companies’ within Proposal Proceedings (and in such capacity the “**Proposal Trustee**”).
33. Pursuant to an Order of the Honourable _____ of the Alberta Court of King’s Bench, Judicial District of Calgary (the “**Court**”) dated _____, 2024 (the “**Transaction Approval Order**”), the Court approved the transactions contemplated by the Subscription Agreement dated _____, 2024 (the “**Subscription Agreement**”) between AMI and _____ (the “**Purchaser**”).
34. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Shares payable on the Closing Date pursuant to the Subscription Agreement and the Transaction Approval Order;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by AMI and/or the Purchaser, as the case may be; and
3. The Transactions contemplated by the Subscription Agreement and the Transaction Approval Order have been completed to the satisfaction of the Proposal Trustee.

4. This Certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

**KSV Restructuring Inc., in its capacity as
Proposal Trustee of and not in its
personal or corporate capacity**

Per: _____

Name: Andrew Basi

Title: Managing Director

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- the cash or wire transfer of immediately available funds received as the Purchase Price;
- all cash, bank balances, funds, deposits or monies owned or held by the Companies or any other Person (including any bank or depository) on behalf of the Companies at Closing and all cash equivalents, securities and investments of the Companies at Closing;
- all accounts receivable, bills receivable, trade accounts, holdbacks, retention, book debts, insurance claims and other amounts due or accruing to the Companies and includes, for greater certainty, any and all Tax Refunds, and together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, which arise prior to Closing;
- all Tax Refunds which arise prior to Closing;
- all prepaid expenses or other security or collateral provided by the Companies; and
- any and all other assets or interests of the Companies other than the Retained Assets.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- any and all funded indebtedness;
- any and all promissory notes issued by the Companies;
- any and all operating and tax liabilities related to the Transferred Assets;
- any and all operating liabilities to the extent they are trade claims, trade payables, utility bills or other unsecured claims, and excluding any amounts that would constitute a priority claim on or against any Retained Assets;

- any and all liabilities associated with shareholder loans to the Companies;
- any and all trade claims, trade payables or other unsecured claims;
- any and all liabilities relating to any employment agreements, severance payments and/or termination payments;
- the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court.

Transferred Contracts

The Transferred Contracts, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- none, unless otherwise agreed by the Company and the Purchaser.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Company, mean:

- the Real Property;
- all books and records of the Companies, including minute books, books of account, ledgers, general, financial and accounting records, tax returns and other records in the possession and control of the Companies or the Proposal Trustee, but in each case excludes all books and records in respect of the Transferred Assets and Transferred Liabilities, and excludes any email correspondence of the Companies (including any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;
- the Companies' bank accounts and all agreements related thereto (the Purchaser acknowledges that the balances in such accounts shall be \$0.00 at Closing);
- all regulatory and license attributes of the Companies;

- including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;
- letters of intent, nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements (other than any employment agreements);
- all shares of capital stock or other Equity Interests in any Affiliate of the Company;
- any intercompany indebtedness or claim owing to the Company by an Affiliate of the Company;
- all organizational documents, corporate books and records, income tax returns and the corporate seal of the Company;
- any records that are required by law to be retained by the Companies;
- all computer servers and websites;
- all office equipment;
- all tax attributes, if any, of the Companies inherent to them, including all rights related to former tax returns, operating, non-operating, and capital loss balances or carry forwards and tax audits;
- all current and prior director and officer insurance policies of the Company and all rights of any nature with respect thereto running in favor of the Company;
- any and all rights of the Company under this Subscription Agreement and the Reverse Vesting Order; and
- all rights, Losses or causes of action by or on behalf of the Companies against any Person.

Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Company, mean:

- nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements;
- all new liabilities incurred, assumed or accepted by the Company after Closing;
- any and all regulatory, environmental and government liabilities related to the Lands and Buildings & Fixtures;

- all operating and tax liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- any intercompany indebtedness or claim owing to an Affiliate of the Company; and
- any other obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

Retained Contracts

The Retained Contracts, being those assets to be retained by the Company through operation of the Reverse Vesting Order, mean:

- all contracts of the Company, unless otherwise agreed by the Company and the Purchaser.

THE FOLLOWING COMPRISES SCHEDULE “C” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.

The Lands

All lands owned, leased or licensed by the Company and any other interest in land of the Company.

SUBSCRIPTION AGREEMENT

BETWEEN:

ATHABASCA MINERALS INC.

- and -

JMAC RESOURCES LTD.

{NAME OF PURCHASER}

Dated:

{Effective as of January 31, 2024}

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Schedule "B" –
Transferred Assets
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Retained Assets
Retained Liabilities
Retained Contracts

Schedule "C" – *The Lands*

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT ~~made~~dated effective as of ~~January 31, 2024~~.

BETWEEN:

ATHABASCA MINERALS INC. (the “Company”)

- and -

[INSERT NAME OF PURCHASER] **JMAC RESOURCES LTD.** (the “Purchaser”)

WHEREAS:

- A. On November 13, 2023, the Company, TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively, the “Companies”) each filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, ~~RSC 1985, c-B-3~~, BIA (as defined herein) as amended with the Office of the Superintendent of Bankruptcy (the “**Proposal Proceedings**”);
- B. KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”);
- C. On December 12, 2023, the Companies obtained an order from the Court of King’s Bench of Alberta (the “**Court**”) in the Judicial District of Calgary, Alberta, which, among other things, approved the procedure for the Companies’ sales and investment solicitation process of the Companies (the “**SISP Order**”);
- D. Further to the SISP Order, the Company and the Purchaser entered into negotiations for the subscription for and purchase of the Purchased Shares (as defined herein) by the Purchaser, to be completed through a series of transactions between the Company and the Purchaser to proceed by way of the Reverse Vesting Order (as defined herein);
- E. The Company wishes to issue from treasury to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- F. The Company shall effect a reorganization pursuant to the statutory procedure set out in Section 193 of the *Business Corporations Act* (Alberta) whereby, among other things, all existing Common Shares (as defined herein) issued and outstanding immediately prior to the Closing Date (as defined herein) shall be exchanged for consideration in the form of ResidualCo Shares (as defined herein) and then extinguished, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Agreement (the “**Reorganization**”);

- G. At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company; and
- H. The Transactions (as defined herein) contemplated by this Subscription Agreement (as defined herein) are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

- (a) **“Affiliate”** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **“control”** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;
- (b) **“AMIS LLC”** means AMI Silica LLC;
- (c) **“AMI Silica LLC Transaction”** means acquisition of the membership interest of AMIS LLC held by the Company by JMAC LLC pursuant to the terms and conditions of the Share Purchase Agreement;
- (d) ~~(b)~~ **“Applicable Law”** means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (e) ~~(e)~~ **“BIA”** means the *Bankruptcy and Insolvency Act* ~~(Canada)~~, RSC 1985, c B-3, as amended from time to time;

- (f) ~~(d)~~ **“Buildings and Fixtures”** means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the Lands;
- (g) ~~(e)~~ **“Business Day”** means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (h) ~~(f)~~ **“Claim”** means any claim, action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (i) ~~(g)~~ **“Closing”** means the completion of the Transactions pursuant to this Subscription Agreement;
- (j) ~~(h)~~ **“Closing Date”** the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 5 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (k) ~~(i)~~ **“Closing Place”** means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (l) ~~(j)~~ **“Common Shares”** means common shares in the capital of the Company;
- (m) ~~(k)~~ **“Companies”** has the meaning ascribed thereto in the Recitals;
- (n) ~~(l)~~ **“Company Release”** has the meaning ascribed thereto in the Section ~~4.4(b)(iv)~~4.4(b)(iii);
- (o) ~~(m)~~ **“Confidentiality Agreement”** means the ~~non-disclosure and confidentiality agreement~~Confidentiality Agreement dated effective February 1, 2023 entered into between the ~~Company~~Vendor and the Purchaser, ~~dated [redacted]~~ in connection with the Transaction;
- (p) ~~(n)~~ **“Confidential Materials”** has the meaning ascribed thereto in Section 10.12;
- (q) ~~(o)~~ **“Court”** has the meaning ascribed thereto in the Recitals;
- ~~(p) **“Deposit”** has the meaning ascribed thereto in Section 2.4;~~
- (r) ~~(q)~~ **“Effective Time”** means 12:01 a.m. on the Closing Date;
- (s) ~~(r)~~ **“Employees”** has the meaning ascribed thereto in Section 3.1;
- (t) ~~(s)~~ **“Encumbrances”** means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts

(whether contractual, statutory or otherwise), 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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order, the Reverse Vesting Order or any other order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of Alberta, British Columbia or any other personal property registry system [or legislation](#);

- (u) ~~(+)~~ **“Equity Interests”** includes: (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; and (iii) any warrants, options, convertible, exchangeable or exercisable securities, subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing;
- (v) ~~(+)~~ **“Governmental Authority”** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (w) ~~(+)~~ **“GST”** means the goods and services tax payable pursuant to the GST Legislation;
- (x) ~~(+)~~ **“GST Legislation”** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (y) ~~(+)~~ **“Indemnified Claims”** has the meaning ascribed thereto in Section ~~4.4(b)(iv)~~ [4.4\(b\)\(iii\)](#);
- (z) **“JMAC LLC”** means [JMAC Energy Services LLC](#);
- (aa) ~~(+)~~ **“KERP”** means the Key Employee Retention Plan approved by the Court on December 12, 2023;
- (bb) ~~(+)~~ **“KERP Charge”** means the charge securing payment of the KERP and approved by the Court on December 12, 2023;
- (cc) ~~(+)~~ **“KERP Obligations”** means all obligations secured by the KERP Charge;
- (dd) ~~(+)~~ **“Lands”** means the lands more particularly described in Schedule “C”;

- (ee) ~~(ee)~~ “**Losses**” means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (ff) ~~(dd)~~ “**Outside Date**” means March 12, 2024, or such other date as may be agreed upon between the Parties in writing;
- (gg) ~~(ee)~~ “**Parties**” means, collectively, all of the parties to this Subscription Agreement; and “**Party**” means a party to this Subscription Agreement;
- (hh) ~~(ff)~~ “**Person**” means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (ii) ~~(gg)~~ “**Proposal Proceedings**” has the meaning ascribed thereto in the Recitals;
- (jj) ~~(hh)~~ “**Proposal Trustee**” has the meaning ascribed thereto in the Recitals;
- (kk) ~~(ii)~~ “**Purchase Price**” has the meaning set out in Section 2.2;
- (ll) ~~(jj)~~ “**Purchase Price Balance**” has the meaning set out in Section 2.2;
- (mm) ~~(kk)~~ “**Purchased Shares**” means ~~[●] [million] (●)~~ the approximately 78,582,686 Common Shares subscribed for by the Purchaser and sold by the Company hereunder, or such greater or lesser number as will give the Purchaser 100% of the issued Common Shares at Closing;
- (nn) ~~(ll)~~ “**Real Property**” means collectively the Lands and all other Buildings and Fixtures;
- (oo) ~~(mm)~~ “**Recitals**” means the preamble and the recitals to this Agreement;
- (pp) ~~(nn)~~ “**Released Parties**” has the meaning ascribed thereto in Section ~~4.4(b)(iv)~~ 4.4(b)(iii);
- (qq) ~~(oo)~~ “**Reorganization**” has the meaning ascribed thereto in the Recitals;
- (rr) ~~(pp)~~ “**Representative**” means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (ss) ~~(qq)~~ “**ResidualCo**” means a corporation to be incorporated by the Company in advance of Closing, to which the Transferred Assets, Transferred Contracts, and

Transferred Liabilities will be transferred to, as part of the closing sequence as further set out in Section 4.3 of this Agreement;

- (tt) ~~(tt)~~ **“ResidualCo Shares”** means the common shares of ResidualCo;
- (uu) ~~(ss)~~ **“Retained Assets”** means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts;
- (vv) ~~(tt)~~ **“Retained Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto;
- (ww) ~~(uu)~~ **“Retained Liabilities”** means those liabilities described in Schedule “B” hereto;
- (xx) ~~(vv)~~ **“Reverse Vesting Order”** means an Order of the Court, in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the cancellation of all of the issued and outstanding Equity Interests of the Company, other than the Purchased Shares); and (b) upon the delivery of a copy of the Trustee’s Certificate to the Purchaser, among other things: (i) transfers all of the Companies’ right, title and interest in and to the Transferred Assets and Transferred Contracts to ResidualCo; (ii) transfers all Transferred Liabilities to ResidualCo; (iii) releases and discharges the Companies from all of the Transferred Liabilities; and (iv) releases the Companies from the purview of the Proposal Proceedings and adds ResidualCo as an entity in the Proposal Proceedings;
- (yy) [“Share Purchase Agreement” means the share purchase agreement dated effective January 31, 2024 between the Company and JMAC LLC in respect of the membership interest of AMIS LLC held by the Company;](#)
- (zz) ~~(ww)~~ **“SISP Order”** has the meaning ascribed thereto in the Recitals;
- (aaa) ~~(xx)~~ **“Subscription Agreement”** means this subscription agreement between the Company and the Purchaser, including all recitals and schedules attached hereto, and **“this Agreement”**, this **“Subscription Agreement”** **“herein”**, **“hereto”**, **“hereof”** and similar expressions mean and refer to this subscription agreement;
- (bbb) ~~(yy)~~ **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all

surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, health insurance and governmental pension plan premiums or contributions;

- (ccc) ~~(zz)~~ **“Tax Refunds”** means all payments, subsidies, claims with respect to subsidies, credits or refunds (including payments and refunds in respect of Taxes) to which the Companies are entitled that arose or relate to the period prior to Closing, including but not limited to: (i) any refund of goods and services taxes or harmonized sales taxes, (ii) any refund of federal or provincial income taxes, and (iii) any refund of premiums or payments relating to any provincial or federal workers’ compensation fund or program;
- (ddd) ~~(aaa)~~ **“Terminated Employee Claims”** has the meaning ascribed thereto in Section ~~3.13.1(b)~~; [3.13.1\(b\)](#);
- (eee) ~~(bbb)~~ **“Terminated Employees”** has the meaning ascribed thereto in Section ~~3.13.1(a)~~; [3.13.1\(a\)](#);
- (fff) ~~(eee)~~ **“Third Party”** means any individual or entity other than the Companies and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (ggg) ~~(ddd)~~ **“Transactions”** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement ~~or~~, the Reverse Vesting Order, [and the Share Purchase Agreement](#);
- (hhh) ~~(eee)~~ **“Transferred Assets”** means those assets described in Schedule “B” hereto and, where the context requires, includes the Transferred Contracts;
- (iii) ~~(fff)~~ **“Transferred Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto;
- (jjj) ~~(ggg)~~ **“Transferred Liabilities”** means those liabilities described in Schedule “B” hereto, including without limitation, any Terminated Employee Claims or KERP Obligations; and
- (kkk) ~~(hhh)~~ **“Trustee’s Certificate”** means the certificate to be filed by the Proposal Trustee certifying that all conditions of Closing of the Transactions contemplated by this Subscription Agreement and approved by the Reverse Vesting Order have been satisfied.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

- Schedule “A” – Form of Reverse Vesting Order
- Schedule “B” – Transferred Assets; Transferred Liabilities; Transferred Contracts; Retained Assets; Retained Liabilities and Retained Contracts
- Schedule “C” – The Lands

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

1.6 Damages

All Losses in respect of which a Party has a ~~claim~~Claim pursuant to this Subscription Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.

1.7 Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Subscription Agreement which presumes that the Purchaser has acquired the Purchased Shares or the Retained Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a ~~schedule~~Schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law, the term or condition of such Applicable Law shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of all Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is \$~~2,000,000~~2,000,000 (the “**Purchase Price**”). The Purchase Price shall be satisfied by: ~~(i) the retention of the Deposit by the Company; and (ii) payment in cash by the Purchaser to the Company of an amount equal to the balance of the Purchase Price (the “**Purchase Price Balance**”).~~

2.3 Form of Payment

All payments to be made pursuant to this Subscription Agreement shall be in Canadian funds. All payments to be made pursuant to this Subscription Agreement shall be made by wire transfer.

~~2.4 Deposit~~

~~The Parties acknowledge that a deposit in the amount of \$~~200,000~~200,000, representing 10% of the Purchase Price, has already been delivered by the Purchaser to the Proposal Trustee, pending execution of this Subscription Agreement, and released only in accordance with the provisions of this Section~~

~~2.4 (the “Deposit”). The Deposit shall be held by the Proposal Trustee in a non-interest bearing account until one of the following events occurs:~~

- ~~(a) if Closing occurs, the Deposit shall be paid to the Company at Closing as partial payment of the Purchase Price;~~
- ~~(b) if Closing does not occur due to: (i) a failure to fulfill the conditions set forth in Section 5.2 or 5.3; or (ii) a material breach of a material term of this Subscription Agreement by the Company (and the Purchaser is not in breach of any of its representations, warranties and covenants herein), the Deposit shall be returned to the Purchaser for the account of the Purchaser absolutely; and~~
- ~~(c) if Closing does not occur due to any reason other than as addressed by Section 2.4(b), the Deposit shall be forfeited to the Company for the account of the Company absolutely.~~

2.5 Damages

~~The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by the Company as a result of Closing not occurring and the Company shall retain the Deposit pursuant to Section 2.4(c) and the Deposit shall constitute liquidated damages to the Company, and not a penalty of Closing not occurring as described in that subsection.~~

ARTICLE 3 PRE-CLOSING MATTERS

3.1 Employee Matters

- (a) The Parties acknowledge that the Company has provided the Purchaser with an up-to-date list of the names and positions of all of the Company’s employees, consultants and contractors fulfilling an employee-like role (collectively, “**Employees**”) prior to the date hereof. The Parties further acknowledge that the Purchaser has provided to the Company a list of those Employees that it will not employ, and whose employment is to be terminated by the Company prior to Closing (the “**Terminated Employees**”).
- (b) The Company shall, prior to Closing, have terminated the employment of the Terminated Employees, as requested by the Purchaser, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all claims of the Terminated Employees in the amount equal to the payment that such Terminated Employees would have received under the BIA and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements (the “**Terminated Employee Claims**”), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the closing sequence set out in Section 4.3 of this Agreement, shall be discharged as against the Company and transferred to the ResidualCo.

- (c) The Company shall not make any change in the salary, benefits or other forms of compensation payable to the Employees during the period following the date hereof and ending on the Closing Date.
- (d) The Purchaser acknowledges and agrees that the information received pursuant to this Section 3.1 is confidential information and shall hold and use such information in compliance with all Applicable Law and without limiting the generality of the foregoing, all Applicable Law relating to privacy.

ARTICLE 4 CLOSING

4.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained.

4.2 Effectiveness of Reverse Vesting Order

Subject to the other terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

4.3 Closing

On the Closing Date, subject to the conditions set forth in Sections 5.2, 5.3 and 5.4 hereto being satisfied, complied with, or waived by the applicable Party or Parties, at or before the Outside Date, Closing shall take place in the following sequence:

- (a) First, the Purchaser shall pay the Purchase Price to the Proposal Trustee, on behalf of the Company, ~~as follows: (1) the delivery of the written direction as contemplated in Section 4.4(b)(i); and (2) the payment of the Purchase Price Balance~~ to be paid in cash or wire transfer of immediately available funds;
- (b) Second, the Companies shall transfer to and cause ResidualCo to assume the Transferred Assets and Transferred Liabilities pursuant to the Reverse Vesting Order;
- (c) Third, all of the Companies' right title and interest in and to the Transferred Liabilities, but specifically excluding the Retained Liabilities, shall be channeled to, assumed by and vest absolutely and exclusively in ResidualCo for the purpose of allowing ResidualCo to continue to administer the Transferred Liabilities in accordance with the terms and conditions of the Reverse Vesting Order, for the benefit of the existing creditors of the Companies as at the Closing Date, and: (i) such Transferred Liabilities shall continue to attach to the Transferred Assets with

the same nature and priority as they had immediately prior to the Closing Date, as set out in paragraph 9 of the Reverse Vesting Order; (ii) such Transferred Liabilities shall be transferred to and assumed by ResidualCo in consideration for the transfer of the Transferred Assets and the Purchase Price, such that the Transferred Liabilities shall become obligations of ResidualCo which shall be deemed to have been party to the contracts and agreements giving rise thereto and which shall stand in place and stead of the Companies in respect of any such liability or obligation, and shall no longer be obligations of the Companies;

- (d) Fourth, each Common Share outstanding immediately prior to the Closing Date shall be transferred to ResidualCo and, in consideration therefor, ResidualCo shall issue one (1) ResidualCo Share for each Common Share outstanding;
- (e) Fifth, each Equity Interest issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled in accordance with and pursuant to the Reverse Vesting Order;
- (f) Sixth, the Company shall have paid, assumed or otherwise satisfied the Retained Liabilities in accordance with the Reverse Vesting Order, and upon payment or assumption thereof, other than as set out in the Reverse Vesting Order, the Retained Liabilities shall be and are hereby forever released, expunged and discharged as against the Retained Assets, the Companies, and the Purchased Shares;
- (g) Seventh, the Retained Assets will be retained by the Company in each case free and clear of and from any and all Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order or any other order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), [RSA 2000, c P-7](#), or any other personal property registry system or pursuant to ~~*The Lands Title*~~ [the *Land Titles Act*](#) (Alberta), [RSA 2000, c L-4](#), all of which affecting or relating to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- (h) Eighth, the Company shall issue [from treasury](#) the Purchased Shares to the Purchaser free and clear of and from any and all Encumbrances, and the Purchase Price (~~including the Deposit~~) shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of the Companies' creditors;

- (i) Ninth, the Company Release shall be released from escrow and shall become effective; and
- (j) Tenth, the Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the SISP Order and all other orders of the Court granted in relation to the Proposal Proceedings.

4.4 Closing Deliveries

- (a) On the Closing Date, the Company shall deliver to the Purchaser:
 - (i) an entered copy of the Reverse Vesting Order;
 - (ii) one or more share certificates duly executed by the Company, or other satisfactory evidence such as a notice of uncertified securities, representing, in aggregate, the Purchased Shares registered in the name of the Purchaser as directed by the Purchaser;
 - (iii) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections 5.4(b) and 5.4(c) have been satisfied; and
 - (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions.
- (b) On the Closing Date, the Purchaser shall deliver to the Company:
 - ~~(i) a written direction to the Company to retain the Deposit as partial payment of the Purchase Price;~~
 - (i) ~~(ii)~~ the Purchase Price, ~~less the Deposit~~, pursuant to Section 2.2, which shall be paid to the Proposal Trustee on behalf of the Company;
 - (ii) ~~(iii)~~ a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 5.3(a) and 5.3(b) have been satisfied;
 - (iii) ~~(iv)~~ an irrevocable release (the “**Company Release**”) by the Purchaser in favour of: (i) the Company’s current and former directors, officers, employees, agents, representatives, and all of their respective advisors, including financial advisors and legal counsel, (the “**Released Parties**”) from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown (collectively, the

“**Indemnified Claims**”) against any of the Released Parties, including in their capacity as equity holders of the Company, as applicable; save and except for any and all Indemnified Claims arising out of or in connection with any fraud or willful misconduct, on the part of the Released Parties; and

- (iv) ~~(v)~~ all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions.

ARTICLE 5 CONDITIONS OF CLOSING

5.1 Required Consents

- (a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transactions. The Parties acknowledge that, except for the Reverse Vesting Order, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser’s sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner and/or operator, of any of the Retained Assets, if any.
- (b) Notwithstanding anything to the contrary herein, except for the Reverse Vesting Order, it is the sole obligation of the Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the Transactions at the Purchaser’s sole cost and expense, including remedying any deficiencies under any contracts and agreements assumed by the Purchaser or that otherwise from part of the Retained Assets. Upon providing prior written notice and sufficient documentary support, all reasonable and necessary costs, fees, expenses, penalties or levies that are incurred by the Company in order to effect the Transactions pursuant to the Reverse Vesting Order shall be the sole responsibility of the Purchaser, and the Purchaser agrees to pay on behalf of the Company any such reasonable and necessary costs, fees, expenses, penalties or levies on a timely basis.

5.2 Mutual Conditions

The obligation of the Purchaser to complete the Transactions, and of the Company to sell the Purchased Shares to the Purchaser, ~~is~~are subject to the following conditions precedent:

- (a) [the closing of the AMIS LLC Transaction has occurred;](#)
- (b) ~~(a)~~ the Reverse Vesting Order being obtained; and

- (c) ~~(b)~~ no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 5.2 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections 10.11 and 10.14, and Section 10.12 as applicable) shall automatically terminate without any further action on the part of either the Company or the Purchaser.

5.3 Purchaser's Conditions

The obligation of the Purchaser to purchase the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true in all material respects when made and shall remain true as of the Closing Date; and
- (b) all obligations of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 10.11 and 10.14.

5.4 Company's Conditions

The obligation of the Company to sell the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) all obligations of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by the Purchaser to the Company at Closing, including the Purchase Price, shall have been paid to the Proposal Trustee, on behalf of the Company, in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 10.11 and 10.14.

5.5 Efforts to Fulfil Conditions Precedent

The Purchaser and the Company shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Company

The Company makes only the following representations to the Purchaser, which representations shall not survive Closing:

- (a) subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions; and
- (b) subject to obtaining the Reverse Vesting Order, this Subscription Agreement is, and all documents executed and delivered pursuant to this Subscription Agreement will be, legal, valid and binding obligations of the Company enforceable against it in accordance with their terms.

6.2 Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) the Purchaser is a corporation registered and existing under the Applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on business as it is now being conducted;
- (b) the Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) the execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in

conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;

- (d) the execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) this Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement, other than authorizations, approvals or exemptions from requirements previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) the Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;
- (h) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;
- (i) the Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Company;
- (j) the Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;
- (k) the Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment;

- (l) the Purchaser represents that it is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions*, and/or that it meets one of the other exemptions under Canadian securities laws;
- (m) the Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian securities laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser’s ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian securities laws; and
- (n) the Purchaser is in compliance with all the requirements of all Governmental Authorities; ~~and~~.
- ~~(o) the Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*, RSC, 1985, c.28 (1st Supp).~~

6.3 Limitation of Representations by the Company

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section 6.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an “as is, where is” basis as they exist as of Closing;
- (b) except as expressly stated in Section 6.1, none of the Company or ResidualCo or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the business of the Company, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;
- (c) none of the Company, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;

- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 6.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Subscription Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or ~~claims~~Claims the Purchaser might have against the Company, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 6.1 such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of this Section 6.3 shall survive and not merge on Closing.

ARTICLE 7 INDEMNITIES

7.1 Purchaser's Indemnities for Representations and Warranties

The Purchaser shall be liable to the Company and ResidualCo for and shall, in addition, indemnify each of them and their respective Representatives from and against, all Losses suffered, sustained, paid or incurred by each of them or their respective Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 6.2 been accurate and truthful.

7.2 Post-Closing Date Indemnity

Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which the Company, ResidualCo and their respective Representatives may suffer, sustain, pay or incur; and

- (b) indemnify, release and save harmless the Company, ResidualCo and their respective Representatives from any and all Losses whatsoever which may be brought against or suffered by them or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Company, the Retained Assets or the Retained Liabilities and arising or accruing after Closing.

ARTICLE 8 MAINTENANCE OF RETAINED ASSETS

8.1 Maintenance of Retained Assets

From the date hereof until the Closing Date, the Company shall use reasonable commercial efforts, to the extent that the nature of its interest permits, and subject to the SISP Order and the Reverse Vesting Order:

- (a) to maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Retained Assets which become due from the date hereof to the Closing Date,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution or file any undertaking with a Governmental Authority with respect to any liability management program or other program.

8.2 Consent of the Purchaser

Notwithstanding Section 8.1, the Company shall not from the date hereof to the Closing Date, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets of which the Company's share is in excess of ~~[-]~~ \$35,000, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Retained Assets or title to the Retained Assets; or (iv) in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should the Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Retained Assets results, there shall be no abatement or reduction in the Purchase Price;
- (b) other than pursuant to ordinary course expiries, surrender or abandon any of the Retained Assets, unless an expenditure of money is required to avoid the

surrender or abandonment and the Purchaser does not provide same to the Company in a timely fashion, in which event the Retained Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;

- (c) other than in ordinary course of business, materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets; or
- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof excepting: pursuant to preferential purchase rights; sales of non-material obsolete or surplus equipment.

8.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Retained Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in the Purchaser incurring an obligation pursuant to Section 8.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the “**Proposal**”):

- (a) the Company shall promptly give the Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) the Purchaser shall, not later than 48 hours prior to the time the Company is required to make its election with respect to the Proposal, advise the Company, by notice, whether the Purchaser wishes the Company to exercise the Company’s rights with respect to the Proposal on the Purchaser’s behalf, provided that the Purchaser’s failure to make such election within such period shall be deemed to be the Purchaser’s election to participate in the Proposal;
- (c) the Company shall make the election authorized (or deemed to be authorized) by the Purchaser with respect to the Proposal within the period during which the Company may respond to the Proposal; and
- (d) the Purchaser’s election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Retained Assets shall not entitle the Purchaser to any reduction of the Purchase Price if the Company’s interest therein is terminated as a result of such election and such termination shall not constitute a failure or breach of the Company’s representations and warranties relating to such Retained Assets.

8.4 Licence Transfers

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser’s sole expense. All processing

fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

8.5 Payments in Respect of Transferred Assets

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset (including a Tax Refund), the recipient of such payment or other consideration shall promptly notify the Company and promptly pay and transfer such payment or other consideration to the Company, on behalf of ResidualCo. From and after Closing, the Company and the Purchaser shall provide reasonable cooperation to ResidualCo to enable ResidualCo to obtain the benefit of any Transferred Asset.

8.6 Agreement Regarding Fees

The Purchaser hereby acknowledges and agrees that it will be responsible for any and all fees incurred by the Purchaser in connection with the formulation, negotiation, submission, and pursuit of its bid.

ARTICLE 9 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

9.1 Company to Provide Access

Prior to Closing, the Company shall, subject to all contractual and fiduciary obligations, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession of the Company, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Company and ResidualCo from and against all liabilities, ~~claims~~Claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 9.1 shall survive the Closing Date indefinitely.

9.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the Company or ResidualCo, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Company or any of them.

9.3 Maintenance of Information

All of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

ARTICLE 10 GENERAL

10.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

10.2 Liability of the Company or ResidualCo

Under no circumstances shall the Company or ResidualCo or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

10.3 Entire Agreement

Except for the SISP Order ~~and the~~ Reverse Vesting Order and the Share Purchase Agreement, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Subscription Agreement and, in the event of conflict, except for the SISP Order or the Reverse Vesting Order, the provisions of this Subscription Agreement shall prevail. In the event that Closing occurs, except for the SISP Order and the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Share Purchase Agreement and Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

10.4 Governing Law

This Subscription Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the proceedings bearing Alberta Court of King's Bench Court Action No. 25-3009380. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

10.5 Assignment and Enurement

This Subscription Agreement shall not be assigned by the Purchaser without the prior written consent of the Company, which consent may be unreasonably and arbitrarily withheld. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

10.6 Time of Essence

Time is of the essence in this Subscription Agreement.

10.7 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:


Company: Athabasca Minerals Inc.
407 2 Street SW, Suite 1730
Calgary, AB [Canada](#) T2P 2Y3

Attention: Dana Archibald, Chief Executive Officer
Email: dana.archibald@athabascaminerals.com

With a copy to its legal counsel at:

Fasken Martineau DuMoulin LLP
Suite 3400, 350 7 Avenue SW
Calgary, AB [Canada](#) T2P 3N9

Attention: Robyn Gurofsky / Jessica Cameron
Email: rgurofsky@fasken.com / jcameron@fasken.com

Purchaser:  Street
[redacted], [redacted] [redacted]

[JMAC Resources Ltd.](#)

c/o JMAC Energy Services LLC
121 – 48 Avenue SW
Williston, ND 58801 USA

Attention: [REDACTED] Jon McCreary
Email: [REDACTED]@ [REDACTED] [REDACTED] jon@jmacresources.com

With a copy to its legal counsel at:

[REDACTED] Field LLP
444 – 7th Avenue SW, Suite 400
Calgary, AB Canada T2P 0X8
[REDACTED] Street
[REDACTED], [REDACTED] [REDACTED]

Attention: [REDACTED] Doug Nishimura / Melissa Cook
Email: [REDACTED]@ [REDACTED] [REDACTED] dnishimura@fieldlaw.com /
mcook@fieldlaw.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth Business Day following the date of mailing.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

10.8 Invalidity of Provisions

In case any of the provisions of this Subscription Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.10 Amendment

This Subscription Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

10.11 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement); (ii) in connection with obtaining the Reverse Vesting Order; or (iii) upon request by a secured creditor.

10.12 Sealing Order

The Company may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Company or the Proposal Trustee containing the financial and other confidential details of these Transactions (the “**Confidential Materials**”), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Company, if granted, only the judge presiding over the Proposal Proceedings, the Purchaser and their respective Representatives, and the secured creditors of the Company who have executed confidentiality agreements, and subject to the terms of those confidentiality

agreements, shall have access to the Confidential Materials and the confidential information contained therein.

10.13 Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or
- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 5.2, 5.3 or 5.4, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to confidentiality (Section 10.11) and the use of personal information (Section 10.14), ~~and the Deposit shall be addressed in accordance with Section 2.4.~~

10.14 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and

~~(e)~~ the Purchaser's obligations set forth in this Section 10.14 shall survive the Closing Date indefinitely.

10.15 Directors

- (a) At Closing, ~~and~~ Todd Erickson shall be the ~~directors~~ director of the Company and Todd Erickson shall be the sole director of ResidualCo, and all other prior directors shall be deemed to have resigned effective at Closing.

(Remainder of page intentionally left blank)

10.16 Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Subscription Agreement as of the date first above written.

ATHABASCA MINERALS INC.

[Name of the Purchaser]
JMAC RESOURCES LTD.

Per: _____
Name:
Title:

Per: _____
Name: ● Jon McCreary
Title: President

THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED [JANUARY 31, 2024](#) BETWEEN ATHABASCA MINERALS INC. AND [JMAC RESOURCES LTD.](#)

Form of Reverse Vesting Order

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER
COURT

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

JUDICIAL CENTRE

CALGARY

MATTER

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
ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

APPLICANTS

ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP

Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

DATE ON WHICH ORDER WAS PRONOUNCED:

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER:

UPON 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, approving the reverse vesting share transaction (the “**Transaction**”) in respect of AMI contemplated by the Subscription Agreement between AMI and [REDACTED] (the “**Purchaser**”) dated [REDACTED] (the “**Subscription Agreement**”), and attached as Exhibit [REDACTED] to the Affidavit of [REDACTED] sworn [REDACTED] (the “**Affidavit**”);

AND UPON HAVING READ the within Notice of Application, the [REDACTED] Affidavit and the [REDACTED] Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “**Proposal Trustee**”) dated [REDACTED] (the “[REDACTED] **Report**”), the Affidavit of Service of Kim Picard, sworn [REDACTED], the Order of this Court granted on December 12, 2023 (the “**First Order**”), and the other pleadings previously filed in the within proposal proceedings;

AND UPON HEARING the submissions of counsel for the Companies, the Proposal Trustee, the Purchaser, and such other counsel in attendance at the hearing of the Application:

IT IS HEREBY ORDERED THAT:

SERVICE

1. Service of the notice of this Application for this Order and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this Application, and the time for service of this Application is abridged to that actually given and this Application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement and the First Order, as applicable.

APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized

and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.

4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of the Company proceeding with the Transactions, and no shareholder or other approval shall be required in connection therewith.

ISSUANCE OF SHARES

5. On the Closing Date, AMI is hereby authorized and directed to issue the Purchased Shares to the Purchaser in consideration for the Purchase Price, and in accordance with paragraph 6 of this Order.
6. The following shall occur and shall be deemed to have occurred at the Effective Time (as defined below), all in accordance with the closing sequence set out in the Subscription Agreement and the steps contemplated thereunder:
 - a) The Purchaser shall pay the Purchase Price to the Proposal Trustee, for the benefit of AMI, and the Purchase Price shall be dealt with in accordance with the closing sequence;
 - b) Each Common Share outstanding shall be transferred to ResidualCo and, in consideration therefor, ResidualCo shall issue one (1) ResidualCo Share for each Common Share;
 - c) All Equity Interests, including Common Shares, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled in accordance with and pursuant to this Order; and
 - d) The Purchased Shares shall be issued from treasury by AMI to the Purchaser free and clear of and from any Claims and Encumbrances.

7. The Purchaser and AMI, in completing the Transactions, are authorized to:
 - a) Execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and
 - b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.
8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 (“**ABCA**”) shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription Agreement, filed by AMI.

VESTING OF ASSETS AND LIABILITIES

9. Subject to the terms of the Subscription Agreement, upon delivery of a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule “A” hereto (the “**Proposal Trustee’s Certificate**”), the following shall occur and be deemed to occur commencing at the time of delivery of the Proposal Trustee’s Certificate (the “**Effective Time**”) in the following sequence:
 - a) all right, title and interest of the Companies in and to the Transferred Assets shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - b) all right, title and interest of the Companies in and to the Transferred Liabilities shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - c) and for further clarity, all right, title and interest of the Companies in and to the Transferred Contracts shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;

- d) all Claims and Encumbrances in respect of the Companies, other than the Retained Liabilities, shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in ResidualCo, and (i) such Claims and Encumbrances shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and had remained in the possession or control of the person having that possession or control immediately prior to the transfer;
- e) all Claims and Encumbrances other than the Retained Liabilities shall be irrevocably and forever expunged, released and discharged as against the Companies, the Purchaser, and the Retained Assets;
- f) without limiting subparagraph 9(c), any and all security registrations against the Companies (other than any security registrations in respect of a Retained Liability) shall be and are hereby forever released and discharged as against the Companies, and all such security registrations shall attach to the Transferred Assets vested in ResidualCo and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by ResidualCo of such security registrations;
- g) for clarity, the Purchase Price, less the quantum of the Administration Charge, the Interim Lender's Charge, and the KERP Charge (the "**Purchase Price Holdback**"), shall be transferred to, assumed by, and shall vest absolutely and exclusively without recourse in ResidualCo;

- h) from the Purchase Price Holdback, the Proposal Trustee shall hold the quantum of the Administration Charge in a non-interest bearing trust account for the beneficiaries of that charge until further Order of this Court;
 - i) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the Interim Lender's Charge to JMAC Energy Services LLC, as Interim Lender, following which, the Interim Lender's Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;
 - j) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the KERP charge to the beneficiaries of such charge, following which, the KERP Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;
 - k) the Companies shall cease to be Applicants in, or subject to, this Action and shall be released from the purview of the notice of intention proceedings pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "BIA") the First Order, and all other orders of this Court granted in these proceedings; and
 - l) ResidualCo shall be substituted as the Applicant in this Action, and debtor in these proposal proceedings, *nunc pro tunc*, as if ResidualCo had always been a party to these proceedings since the filing date of November 13, 2023.
10. As of the Effective Time:
- a) AMI shall continue to hold all right, title and interest in and to the Retained Assets, free and clear of all Claims and Encumbrances other than the Retained Liabilities; and
 - b) AMI shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.

11. For greater certainty, any person that, prior to the Effective Time, had a Claim or Encumbrance other than a Retained Liability against the Companies or their assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Companies or the Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, against the Transferred Assets to be administered by the Proposal Trustee in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim or Encumbrance of any Person as against the Transferred Assets to be administered by the Proposal Trustee in ResidualCo.
12. From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.
13. Upon the delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transactions, and to discharge and release all Claims and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RESIDUALCO MATTERS

14. An individual who is a nominee of AMI and the Purchaser (the “**First Director**”) is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.
15. ~~Notwithstanding section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.~~
16. The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.
17. ~~ResidualCo shall be deemed to be the former employer of any former employees of AMI who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*.~~
18. The administration of ResidualCo shall remain subject to the Proposal Trustee’s appointment and oversight, and this Court’s oversight and these proposal proceedings.
19. In the event the Transferred Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, the Proposal Trustee may declare a special dividend payable to ResidualCo shareholders in such amounts as determined by the Proposal Trustee in its sole discretion. The record date for such distribution shall be set as the date of granting of this Order.
20. In addition to and without limiting the rights and protections afforded to the Proposal Trustee pursuant to the BIA, the First Order, and any subsequent Order granted by this Court in the within proceedings, the Proposal Trustee and its employees and

representatives shall not incur any liability as a result of acting in accordance with this Order or administering ResidualCo, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Proposal Trustee pursuant to the First Order, any further order granted in these proceedings or under the BIA shall continue to apply.

RELEASES AND OTHER PROTECTIONS

21. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:
 - a) the Transferred Assets;
 - b) any and all Claims or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - c) the insolvency of the Companies prior to the Effective Time;
 - d) the commencement or existence of the NOI Proceedings; or
 - e) the completion of the Transactions.

22. From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, and (d) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown,

matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.

23. No action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these proposal proceedings or ResidualCo, except with prior leave of this Court on not less than fifteen (15) days’ prior written notice to the applicable Released Party and upon further order security, as security for costs, the full indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

MISCELLANEOUS MATTERS

24. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), AMI, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in AMI’s records pertaining to past and current employees of AMI. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by AMI prior to the Effective Time.
25. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee’s Certificate forthwith after delivery thereof to the Purchaser.

26. Notwithstanding:

- a) the pendency of these proceedings;
- b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership order issued pursuant to any such application; or
- c) the provisions of any federal or provincial statute,

the execution of the Agreement and the implementation of the Transactions shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Companies and shall not be void or voidable by creditors of ResidualCo or the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

27. Following the Effective Time, the style of cause of these proposal proceedings shall be hereby amended by being deleted and replaced in its entirety by the following:

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 **ResidualCo**

28. The Companies, the Purchaser, the Proposal Trustee, and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.

29. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Subscription Agreement and all

amendments thereto, in connection with any dispute involving the Companies or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Companies or ResidualCo related in any way to the Transactions.

30. This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee 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 and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.

31. Service of this Order may be effected by facsimile, electronic mail, personal delivery, registered mail or courier.

**Justice of the Court of King's Bench of
Alberta**

Schedule "A" - Form of Proposal Trustee's Certificate

COURT FILE NUMBER & BANKRUPTCY ESTATE NUMBER **25-3009380**

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA, IN BANKRUPTCY & INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER 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 ATHABASCA MINERALS INC., AMI SILICA INC., AMI AGGREGATES INC., AMI ROCKCHAIN INC., TERRASHIFT ENGINEERING LTD., 2132561 ALBERTA LTD., and 2140534 ALBERTA LTD.

DOCUMENT **Proposal Trustee's Certificate**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Fasken Martineau DuMoulin LLP
Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

RECITALS

32. On November 13, 2023, 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**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal trustee of the Companies’ within Proposal Proceedings (and in such capacity the “**Proposal Trustee**”).
33. Pursuant to an Order of the Honourable _____ of the Alberta Court of King’s Bench, Judicial District of Calgary (the “**Court**”) dated _____, 2024 (the “**Transaction Approval Order**”), the Court approved the transactions contemplated by the Subscription Agreement dated _____, 2024 (the “**Subscription Agreement**”) between AMI and [REDACTED] (the “**Purchaser**”).
34. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Shares payable on the Closing Date pursuant to the Subscription Agreement and the Transaction Approval Order;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by AMI and/or the Purchaser, as the case may be; and
3. The Transactions contemplated by the Subscription Agreement and the Transaction Approval Order have been completed to the satisfaction of the Proposal Trustee.

4. This Certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

**KSV Restructuring Inc., in its capacity as
Proposal Trustee of and not in its
personal or corporate capacity**

Per: _____

Name: Andrew Basi

Title: Managing Director

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED [JANUARY 31, 2024](#), BETWEEN ATHABASCA MINERALS INC. AND [JMAC RESOURCES LTD.](#)

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- the cash [or wire transfer of immediately available funds](#) received as the Purchase Price, ~~including the Deposit~~;
- all cash, bank balances, funds, deposits or monies owned or held by the Companies or any other Person (including any bank or depository) on behalf of the Companies at Closing and all cash equivalents, securities and investments of the Companies at Closing;
- all accounts receivable, bills receivable, trade accounts, holdbacks, retention, book debts, insurance claims and other amounts due or accruing to the Companies and includes, for greater certainty, any and all Tax Refunds, and together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, which arise prior to Closing;
- all Tax Refunds which arise prior to Closing;
- all prepaid expenses or other security or collateral provided by the Companies; and
- any and all other assets or interests of the Companies other than the Retained Assets.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- any and all funded indebtedness;
- any and all promissory notes issued by the Companies;
- any and all operating and tax liabilities related to the Transferred Assets;

- any and all operating liabilities to the extent they are trade claims, trade payables, utility bills or other unsecured claims, and excluding any amounts that would constitute a priority claim on or against any Retained Assets;
- any and all liabilities associated with shareholder loans to the Companies;
- any and all trade claims, trade payables or other unsecured claims;
- any and all liabilities relating to any employment agreements, severance payments and/or termination payments;
- the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court.

Transferred Contracts

The Transferred Contracts, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

~~••;~~

~~••; and~~

- •none, unless otherwise agreed by the Company and the Purchaser.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Company, mean:

- ~~The~~the Real Property;
- all books and records of the Companies, including minute books, books of account, ledgers, general, financial and accounting records, tax returns and other records in the possession and control of the Companies or the Proposal Trustee, but in each case excludes all books and records in respect of the Transferred

Assets and Transferred Liabilities, and excludes any email correspondence of the Companies (including any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;

- the Companies' bank accounts and all agreements related thereto (the Purchaser acknowledges that the balances in such accounts shall be \$0.00 at Closing);
- all regulatory and license attributes of the Companies;
- including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;
- letters of intent, nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements (other than any employment agreements);
- all shares of capital stock or other Equity Interests in any Affiliate of the Company;
- any intercompany indebtedness or claim owing to the Company by an Affiliate of the Company;
- all organizational documents, corporate books and records, income tax returns and the corporate seal of the Company;
- any records that are required by law to be retained by the Companies;
- all computer servers and websites;
- all office equipment;
- all tax attributes, if any, of the Companies inherent to them, including all rights related to former tax returns, operating, non-operating, and capital loss balances or carry forwards and tax audits;
- all current and prior director and officer insurance policies of the Company and all rights of any nature with respect thereto running in favor of the Company;
- any and all rights of the Company under this Subscription Agreement and the Reverse Vesting Order; and
- all rights, Losses or causes of action by or on behalf of the Companies against any Person.

Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Company, mean:

- nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements;
- all new liabilities incurred, assumed or accepted by the Company after Closing;
- any and all regulatory, environmental and government liabilities related to the Lands and Buildings & Fixtures;
- all operating and tax liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- any intercompany indebtedness or claim owing to an Affiliate of the Company; and
- any other obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

Retained Contracts

The Retained Contracts, being those assets to be retained by the Company through operation of the Reverse Vesting Order, mean:

- all contracts of the Company, unless otherwise agreed by the Company and the Purchaser.

~~•••;~~

~~•••; and~~

~~•••;~~

THE FOLLOWING COMPRISES SCHEDULE “C” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED [JANUARY 31, 2024](#), BETWEEN ATHABASCA MINERALS INC. AND [JMAC RESOURCES LTD.](#)

The Lands

All lands owned, leased or licensed by the Company and any other interest in land of the Company.

Summary report: Litera Compare for Word 11.7.0.54 Document comparison done on 2/2/2024 5:17:11 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4892-5154-1666/1/Revised Athabasca - Subscription Agreement.docx	
Modified DMS: nd://4892-5154-1666/4/Revised Athabasca - Subscription Agreement.docx	
Changes:	
<u>Add</u>	193
Delete	191
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	1
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	385



400-444 7 AVE SW
Calgary, AB T2P 0X8
fieldlaw.com

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SCHEDULE C

FINANCING CONFIRMATION CORRESPONDENCE



From: Jon McCreary <jon@jmacresources.com>
Sent: Thursday, February 1, 2024 2:56 PM
To: Douglas Nishimura <DNishimura@fieldlaw.com>; Melissa Cook <MCook@fieldlaw.com>; Todd Erickson <todde@jmacresources.com>
Subject: Fwd: Acquisition Line

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

\$25mm acquisition line confirmation. Forwarded from banker.

----- Forwarded message -----

From: Chad Johnson <CJohnson@fibt.com>
Date: Thu, Feb 1, 2024, 1:54 PM
Subject: Acquisition Line
To: Jon McCreary <jon@jmacresources.com>
Cc: Ted Rehwald <tedr@jmacresources.com>

Gentlemen,

Please accept his email as confirmation of the \$25,000,000 acquisition line for JMac Energy Resources is in place and ready if needed. Let me know if you have any questions.

Chad Johnson

Senior Vice President/Commercial Lending Officer

1601 N 12th St, • Bismarck, ND 58501

Office: (701) 751-8500 • Direct: (701) 751-8585 • Cell (701)425-7284

cjohnson@FIBT.com

www.FIBT.com

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SCHEDULE D

JMAC CONFIRMATION LETTER





Dated effective January 31, 2024

Fasken Martineau DuMoulin LLP
3400, 350 - 7 Avenue SW
Calgary, AB T2P 3N9

Bennett Jones LLP
4500, 855 2 Street S.W.
Calgary, AB T2P 4K7

Attention: Robyn Gurofsky / Jessica Cameron

Attention: Michael Selnes

KSV Advisory Inc.
1165, 324 - 8 Avenue S.W.
Calgary, AB T2P 2Z2

Attention: Andrew Basi

Re: Procedure for the Sales and Investment Solicitation Process of Athabasca Minerals Inc. et al approved by the Court of King's Bench on December 12, 2023 (the "SISP")

Further to the bid made by JMAC Resources Ltd. ("**JMAC Resources**") and JMAC Energy Services, LLC (together with JMAC Resources, the "**JMAC Parties**") is irrevocable until the selection of the Successful Bidder (as defined in the SISP) and each of the JMAC Parties, if not chosen as the Successful Bidder (as defined in the SISP), shall serve, without modification to such bid, as a Backup Bidder (as defined in the SISP), in the event the Successful Bidder fails to close.

Sincerely,

JMAC Energy Services, LLC


Jon McCreary
President



Dated effective January 31, 2024

Fasken Martineau DuMoulin LLP
3400, 350 - 7 Avenue SW
Calgary, AB T2P 3N9

Bennett Jones LLP
4500, 855 2 Street S.W.
Calgary, AB T2P 4K7

Attention: Robyn Gurofsky / Jessica Cameron

Attention: Michael Selnes

KSV Advisory Inc.
1165, 324 - 8 Avenue S.W.
Calgary, AB T2P 2Z2

Attention: Andrew Basi

Re: Procedure for the Sales and Investment Solicitation Process of Athabasca Minerals Inc. et al approved by the Court of King's Bench on December 12, 2023 (the "SISP")

Further to the bid made by JMAC Energy Services, LLC ("**JMAC LLC**") and JMAC Resources Ltd. (together with JMAC LLC, the "**JMAC Parties**") pursuant to the terms and conditions of Section 23 of the SISP (the "**Offer**") is irrevocable until the selection of the Successful Bidder (as defined in the SISP) and each of the JMAC Parties, if not chosen as the Successful Bidder (as defined in the SISP), shall serve, without modification to such bid, as a Backup Bidder (as defined in the SISP), in the event the Successful Bidder fails to close.

Sincerely,

JMAC Resources Ltd.


Jon McCreary

Director



400-444 7 AVE SW
Calgary, AB T2P 0X8
fieldlaw.com

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SCHEDULE E

JMAC PARTIES AUTHORIZING RESOLUTION



**RESOLUTIONS OF THE SOLE DIRECTOR OF
JMAC RESOURCES LTD.
(the "Corporation")**

PASSED as of the 31st day of January, 2024.

APPROVAL OF BID AND SUBSCRIPTION AGREEMENT

WHEREAS the Corporation proposes to submit a binding offer to purchase (the "**Bid**") all of the issued and outstanding securities of Athabasca Minerals Inc. pursuant to the terms of a subscription agreement substantially in the form attached hereto as Exhibit "A" (the "**Subscription Arrangement**");

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and is hereby authorized to submit the Bid on such terms and conditions as any one director or officer of the Corporation deems appropriate, and the terms and conditions of the Bid so submitted shall be deemed to be the Bid so approved by these resolutions.
2. Any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute the Subscription Agreement with any such amendments as may be determined necessary or desirable by any director or officer of the Corporation, and the final form of the Subscription Agreement entered into, executed, and delivered by such director or officer of the Corporation shall be deemed to be the Subscription Agreement so approved by these resolutions.
3. All prior actions taken by the Corporation or any of its directors or officers in connection with the foregoing resolutions be and are hereby confirmed, ratified, and approved.
4. Any one director or authorized officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver all such documents and instruments (written or unwritten and whether under the corporate seal of the Corporation or otherwise) as they deem necessary or desirable to give effect to the above resolutions, including without restricting the generality of the foregoing, making all applicable filings with governmental, regulatory and/or taxation authorities, paying any consideration, fees or taxes associated therewith, obtaining, negotiating, executing, and delivering, as applicable, all certificates, directions, ancillary agreements, and consents and governmental or third party approvals or authorizations as may be required or advisable to give effect to the matters contemplated by the above resolutions or as may otherwise be required to ensure general compliance with applicable law as well as the Corporation's constating documents and material agreements.

[Remainder of page intentionally left blank]

These resolutions may be delivered originally, by facsimile, by email in portable document format ("PDF"), or through other electronic means, and each facsimile copy, PDF, or other electronic copy when so executed and delivered shall be deemed to be an original. Execution may be accomplished by wet ink signing, insertion by the signatory of an image of a wet ink signature, or by means of an electronic signature.

APPROVED AND EXECUTED by the undersigned being the sole director of the Corporation.



JON MCCREARY

APPENDIX "A"

SUBSCRIPTION AGREEMENT

[see attached]

SUBSCRIPTION AGREEMENT

BETWEEN:

ATHABASCA MINERALS INC.

- and -

JMAC RESOURCES LTD.

Effective as of January 31, 2024

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Schedule "A" – Form of Reverse Vesting Order

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Transferred Liabilities
Transferred Contracts
Retained Assets
Retained Liabilities
Retained Contracts*

Schedule "C" – The Lands

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT dated effective as of January 31, 2024.

BETWEEN:

ATHABASCA MINERALS INC. (the “**Company**”)

- and -

JMAC RESOURCES LTD. (the “**Purchaser**”)

WHEREAS:

- A. On November 13, 2023, the Company, TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively, the “**Companies**”) each filed a notice of intention to make a proposal under the BIA (as defined herein) as amended with the Office of the Superintendent of Bankruptcy (the “**Proposal Proceedings**”);
- B. KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”);
- C. On December 12, 2023, the Companies obtained an order from the Court of King’s Bench of Alberta (the “**Court**”) in the Judicial District of Calgary, Alberta, which, among other things, approved the procedure for the Companies’ sales and investment solicitation process of the Companies (the “**SISP Order**”);
- D. Further to the SISP Order, the Company and the Purchaser entered into negotiations for the subscription for and purchase of the Purchased Shares (as defined herein) by the Purchaser, to be completed through a series of transactions between the Company and the Purchaser to proceed by way of the Reverse Vesting Order (as defined herein);
- E. The Company wishes to issue from treasury to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- F. The Company shall effect a reorganization pursuant to the statutory procedure set out in Section 193 of the *Business Corporations Act* (Alberta) whereby, among other things, all existing Common Shares (as defined herein) issued and outstanding immediately prior to the Closing Date (as defined herein) shall be exchanged for consideration in the form of ResidualCo Shares (as defined herein) and then extinguished, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Agreement (the “**Reorganization**”);
- G. At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company; and

- H. The Transactions (as defined herein) contemplated by this Subscription Agreement (as defined herein) are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

- (a) **“Affiliate”** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **“control”** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;
- (b) **“AMIS LLC”** means AMI Silica LLC;
- (c) **“AMI Silica LLC Transaction”** means acquisition of the membership interest of AMIS LLC held by the Company by JMAC LLC pursuant to the terms and conditions of the Share Purchase Agreement;
- (d) **“Applicable Law”** means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (e) **“BIA”** means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended from time to time;
- (f) **“Buildings and Fixtures”** means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the Lands;
- (g) **“Business Day”** means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;

- (h) **“Claim”** means any claim, action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (i) **“Closing”** means the completion of the Transactions pursuant to this Subscription Agreement;
- (j) **“Closing Date”** the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 5 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (k) **“Closing Place”** means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (l) **“Common Shares”** means common shares in the capital of the Company;
- (m) **“Companies”** has the meaning ascribed thereto in the Recitals;
- (n) **“Company Release”** has the meaning ascribed thereto in the Section 4.4(b)(iii);
- (o) **“Confidentiality Agreement”** means the Confidentiality Agreement dated effective February 1, 2023 entered into between the Vendor and the Purchaser in connection with the Transaction;
- (p) **“Confidential Materials”** has the meaning ascribed thereto in Section 10.12;
- (q) **“Court”** has the meaning ascribed thereto in the Recitals;
- (r) **“Effective Time”** means 12:01 a.m. on the Closing Date;
- (s) **“Employees”** has the meaning ascribed thereto in Section 3.1;
- (t) **“Encumbrances”** means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), 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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order, the Reverse Vesting Order or any other order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of Alberta, British Columbia or any other personal property registry system or legislation;

- (u) **“Equity Interests”** includes: (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; and (iii) any warrants, options, convertible, exchangeable or exercisable securities, subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing;
- (v) **“Governmental Authority”** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (w) **“GST”** means the goods and services tax payable pursuant to the GST Legislation;
- (x) **“GST Legislation”** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (y) **“Indemnified Claims”** has the meaning ascribed thereto in Section 4.4(b)(iii);
- (z) **“JMAC LLC”** means JMAC Energy Services LLC;
- (aa) **“KERP”** means the Key Employee Retention Plan approved by the Court on December 12, 2023;
- (bb) **“KERP Charge”** means the charge securing payment of the KERP and approved by the Court on December 12, 2023;
- (cc) **“KERP Obligations”** means all obligations secured by the KERP Charge;
- (dd) **“Lands”** means the lands more particularly described in Schedule “C”;
- (ee) **“Losses”** means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (ff) **“Outside Date”** means March 12, 2024, or such other date as may be agreed upon between the Parties in writing;
- (gg) **“Parties”** means, collectively, all of the parties to this Subscription Agreement; and **“Party”** means a party to this Subscription Agreement;
- (hh) **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;

- (ii) **“Proposal Proceedings”** has the meaning ascribed thereto in the Recitals;
- (jj) **“Proposal Trustee”** has the meaning ascribed thereto in the Recitals;
- (kk) **“Purchase Price”** has the meaning set out in Section 2.2;
- (ll) **“Purchase Price Balance”** has the meaning set out in Section 2.2;
- (mm) **“Purchased Shares”** means the approximately 78,582,686 Common Shares subscribed for by the Purchaser and sold by the Company hereunder, or such greater or lesser number as will give the Purchaser 100% of the issued Common Shares at Closing;
- (nn) **“Real Property”** means collectively the Lands and all other Buildings and Fixtures;
- (oo) **“Recitals”** means the preamble and the recitals to this Agreement;
- (pp) **“Released Parties”** has the meaning ascribed thereto in Section 4.4(b)(iii);
- (qq) **“Reorganization”** has the meaning ascribed thereto in the Recitals;
- (rr) **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (ss) **“ResidualCo”** means a corporation to be incorporated by the Company in advance of Closing, to which the Transferred Assets, Transferred Contracts, and Transferred Liabilities will be transferred to, as part of the closing sequence as further set out in Section 4.3 of this Agreement;
- (tt) **“ResidualCo Shares”** means the common shares of ResidualCo;
- (uu) **“Retained Assets”** means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts;
- (vv) **“Retained Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto;
- (ww) **“Retained Liabilities”** means those liabilities described in Schedule “B” hereto;
- (xx) **“Reverse Vesting Order”** means an Order of the Court, in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the cancellation of all of the issued and outstanding Equity Interests of the Company, other than the Purchased Shares); and (b) upon the delivery of a copy of the Trustee’s Certificate to the Purchaser, among other things: (i) transfers all of the Companies’ right, title

and interest in and to the Transferred Assets and Transferred Contracts to ResidualCo; (ii) transfers all Transferred Liabilities to ResidualCo; (iii) releases and discharges the Companies from all of the Transferred Liabilities; and (iv) releases the Companies from the purview of the Proposal Proceedings and adds ResidualCo as an entity in the Proposal Proceedings;

- (yy) **“Share Purchase Agreement”** means the share purchase agreement dated effective January 31, 2024 between the Company and JMAC LLC in respect of the membership interest of AMIS LLC held by the Company;
- (zz) **“SISP Order”** has the meaning ascribed thereto in the Recitals;
- (aaa) **“Subscription Agreement”** means this subscription agreement between the Company and the Purchaser, including all recitals and schedules attached hereto, and **“this Agreement”**, this **“Subscription Agreement”** **“herein”**, **“hereto”**, **“hereof”** and similar expressions mean and refer to this subscription agreement;
- (bbb) **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, health insurance and governmental pension plan premiums or contributions;
- (ccc) **“Tax Refunds”** means all payments, subsidies, claims with respect to subsidies, credits or refunds (including payments and refunds in respect of Taxes) to which the Companies are entitled that arose or relate to the period prior to Closing, including but not limited to: (i) any refund of goods and services taxes or harmonized sales taxes, (ii) any refund of federal or provincial income taxes, and (iii) any refund of premiums or payments relating to any provincial or federal workers’ compensation fund or program;
- (ddd) **“Terminated Employee Claims”** has the meaning ascribed thereto in Section 3.1(b);
- (eee) **“Terminated Employees”** has the meaning ascribed thereto in Section 3.1(a);
- (fff) **“Third Party”** means any individual or entity other than the Companies and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

- (ggg) **“Transactions”** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement, the Reverse Vesting Order, and the Share Purchase Agreement;
- (hhh) **“Transferred Assets”** means those assets described in Schedule “B” hereto and, where the context requires, includes the Transferred Contracts;
- (iii) **“Transferred Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto;
- (jjj) **“Transferred Liabilities”** means those liabilities described in Schedule “B” hereto, including without limitation, any Terminated Employee Claims or KERP Obligations; and
- (kkk) **“Trustee’s Certificate”** means the certificate to be filed by the Proposal Trustee certifying that all conditions of Closing of the Transactions contemplated by this Subscription Agreement and approved by the Reverse Vesting Order have been satisfied.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

- Schedule “A” – Form of Reverse Vesting Order
- Schedule “B” – Transferred Assets; Transferred Liabilities; Transferred Contracts; Retained Assets; Retained Liabilities and Retained Contracts

Schedule “C” – The Lands

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

1.6 Damages

All Losses in respect of which a Party has a Claim pursuant to this Subscription Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.

1.7 Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Subscription Agreement which presumes that the Purchaser has acquired the Purchased Shares or the Retained Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a Schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law, the term or condition of such Applicable Law shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

**ARTICLE 2
SUBSCRIPTION OF PURCHASED SHARES**

2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of all Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is \$2,000,000 (the “**Purchase Price**”). The Purchase Price shall be satisfied by the payment in cash by the Purchaser to the Company of an amount equal to the balance of the Purchase Price (the “**Purchase Price Balance**”).

2.3 Form of Payment

All payments to be made pursuant to this Subscription Agreement shall be in Canadian funds. All payments to be made pursuant to this Subscription Agreement shall be made by wire transfer.

ARTICLE 3 PRE-CLOSING MATTERS

3.1 Employee Matters

- (a) The Parties acknowledge that the Company has provided the Purchaser with an up-to-date list of the names and positions of all of the Company’s employees, consultants and contractors fulfilling an employee-like role (collectively, “**Employees**”) prior to the date hereof. The Parties further acknowledge that the Purchaser has provided to the Company a list of those Employees that it will not employ, and whose employment is to be terminated by the Company prior to Closing (the “**Terminated Employees**”).
- (b) The Company shall, prior to Closing, have terminated the employment of the Terminated Employees, as requested by the Purchaser, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all claims of the Terminated Employees in the amount equal to the payment that such Terminated Employees would have received under the BIA and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements (the “**Terminated Employee Claims**”), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the closing sequence set out in Section 4.3 of this Agreement, shall be discharged as against the Company and transferred to the ResidualCo.
- (c) The Company shall not make any change in the salary, benefits or other forms of compensation payable to the Employees during the period following the date hereof and ending on the Closing Date.
- (d) The Purchaser acknowledges and agrees that the information received pursuant to this Section 3.1 is confidential information and shall hold and use such information in compliance with all Applicable Law and without limiting the generality of the foregoing, all Applicable Law relating to privacy.

ARTICLE 4 CLOSING

4.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained.

4.2 Effectiveness of Reverse Vesting Order

Subject to the other terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

4.3 Closing

On the Closing Date, subject to the conditions set forth in Sections 5.2, 5.3 and 5.4 hereto being satisfied, complied with, or waived by the applicable Party or Parties, at or before the Outside Date, Closing shall take place in the following sequence:

- (a) First, the Purchaser shall pay the Purchase Price to the Proposal Trustee, on behalf of the Company, to be paid in cash or wire transfer of immediately available funds;
- (b) Second, the Companies shall transfer to and cause ResidualCo to assume the Transferred Assets and Transferred Liabilities pursuant to the Reverse Vesting Order;
- (c) Third, all of the Companies' right title and interest in and to the Transferred Liabilities, but specifically excluding the Retained Liabilities, shall be channeled to, assumed by and vest absolutely and exclusively in ResidualCo for the purpose of allowing ResidualCo to continue to administer the Transferred Liabilities in accordance with the terms and conditions of the Reverse Vesting Order, for the benefit of the existing creditors of the Companies as at the Closing Date, and: (i) such Transferred Liabilities shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Closing Date, as set out in paragraph 9 of the Reverse Vesting Order; (ii) such Transferred Liabilities shall be transferred to and assumed by ResidualCo in consideration for the transfer of the Transferred Assets and the Purchase Price, such that the Transferred Liabilities shall become obligations of ResidualCo which shall be deemed to have been party to the contracts and agreements giving rise thereto and which shall stand in place and stead of the Companies in respect of any such liability or obligation, and shall no longer be obligations of the Companies;
- (d) Fourth, each Common Share outstanding immediately prior to the Closing Date shall be transferred to ResidualCo and, in consideration therefor, ResidualCo shall issue one (1) ResidualCo Share for each Common Share outstanding;

- (e) Fifth, each Equity Interest issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled in accordance with and pursuant to the Reverse Vesting Order;
- (f) Sixth, the Company shall have paid, assumed or otherwise satisfied the Retained Liabilities in accordance with the Reverse Vesting Order, and upon payment or assumption thereof, other than as set out in the Reverse Vesting Order, the Retained Liabilities shall be and are hereby forever released, expunged and discharged as against the Retained Assets, the Companies, and the Purchased Shares;
- (g) Seventh, the Retained Assets will be retained by the Company in each case free and clear of and from any and all Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order or any other order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), RSA 2000, c P-7, or any other personal property registry system or pursuant to the *Land Titles Act* (Alberta), RSA 2000, c L-4, all of which affecting or relating to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- (h) Eighth, the Company shall issue from treasury the Purchased Shares to the Purchaser free and clear of and from any and all Encumbrances, and the Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of the Companies' creditors;
- (i) Ninth, the Company Release shall be released from escrow and shall become effective; and
- (j) Tenth, the Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the SISP Order and all other orders of the Court granted in relation to the Proposal Proceedings.

4.4 Closing Deliveries

- (a) On the Closing Date, the Company shall deliver to the Purchaser:
 - (i) an entered copy of the Reverse Vesting Order;
 - (ii) one or more share certificates duly executed by the Company, or other satisfactory evidence such as a notice of uncertified securities, representing, in aggregate, the Purchased Shares registered in the name of the Purchaser as directed by the Purchaser;

- (iii) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections 5.4(b) and 5.4(c) have been satisfied; and
 - (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions.
- (b) On the Closing Date, the Purchaser shall deliver to the Company:
- (i) the Purchase Price, pursuant to Section 2.2, which shall be paid to the Proposal Trustee on behalf of the Company;
 - (ii) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 5.3(a) and 5.3(b) have been satisfied;
 - (iii) an irrevocable release (the “**Company Release**”) by the Purchaser in favour of: (i) the Company’s current and former directors, officers, employees, agents, representatives, and all of their respective advisors, including financial advisors and legal counsel, (the “**Released Parties**”) from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown (collectively, the “**Indemnified Claims**”) against any of the Released Parties, including in their capacity as equity holders of the Company, as applicable; save and except for any and all Indemnified Claims arising out of or in connection with any fraud or willful misconduct, on the part of the Released Parties; and
 - (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions.

ARTICLE 5 CONDITIONS OF CLOSING

5.1 Required Consents

- (a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transactions. The Parties acknowledge that, except for the Reverse Vesting Order, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser’s sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner and/or operator, of any of the Retained Assets, if any.

- (b) Notwithstanding anything to the contrary herein, except for the Reverse Vesting Order, it is the sole obligation of the Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the Transactions at the Purchaser's sole cost and expense, including remedying any deficiencies under any contracts and agreements assumed by the Purchaser or that otherwise from part of the Retained Assets. Upon providing prior written notice and sufficient documentary support, all reasonable and necessary costs, fees, expenses, penalties or levies that are incurred by the Company in order to effect the Transactions pursuant to the Reverse Vesting Order shall be the sole responsibility of the Purchaser, and the Purchaser agrees to pay on behalf of the Company any such reasonable and necessary costs, fees, expenses, penalties or levies on a timely basis.

5.2 Mutual Conditions

The obligation of the Purchaser to complete the Transactions, and of the Company to sell the Purchased Shares to the Purchaser, are subject to the following conditions precedent:

- (a) the closing of the AMIS LLC Transaction has occurred;
- (b) the Reverse Vesting Order being obtained; and
- (c) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 5.2 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections 10.11 and 10.14, and Section 10.12 as applicable) shall automatically terminate without any further action on the part of either the Company or the Purchaser.

5.3 Purchaser's Conditions

The obligation of the Purchaser to purchase the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true in all material respects when made and shall remain true as of the Closing Date; and
- (b) all obligations of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this

Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 10.11 and 10.14.

5.4 Company's Conditions

The obligation of the Company to sell the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) all obligations of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by the Purchaser to the Company at Closing, including the Purchase Price, shall have been paid to the Proposal Trustee, on behalf of the Company, in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 10.11 and 10.14.

5.5 Efforts to Fulfil Conditions Precedent

The Purchaser and the Company shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Company

The Company makes only the following representations to the Purchaser, which representations shall not survive Closing:

- (a) subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions; and
- (b) subject to obtaining the Reverse Vesting Order, this Subscription Agreement is, and all documents executed and delivered pursuant to this Subscription Agreement will be, legal, valid and binding obligations of the Company enforceable against it in accordance with their terms.

6.2 Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) the Purchaser is a corporation registered and existing under the Applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on business as it is now being conducted;
- (b) the Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) the execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) the execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) this Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement, other than authorizations, approvals or exemptions from requirements previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) the Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;
- (h) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;

- (i) the Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Company;
- (j) the Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;
- (k) the Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment;
- (l) the Purchaser represents that it is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions*, and/or that it meets one of the other exemptions under Canadian securities laws;
- (m) the Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian securities laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser's ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian securities laws; and
- (n) the Purchaser is in compliance with all the requirements of all Governmental Authorities.

6.3 Limitation of Representations by the Company

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section 6.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an "as is, where is" basis as they exist as of Closing;
- (b) except as expressly stated in Section 6.1, none of the Company or ResidualCo or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the business of the Company, the Purchased Shares, the Retained

Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;

- (c) none of the Company, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;
- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 6.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Subscription Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Purchaser might have against the Company, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 6.1 such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of this Section 6.3 shall survive and not merge on Closing.

ARTICLE 7 INDEMNITIES

7.1 Purchaser's Indemnities for Representations and Warranties

The Purchaser shall be liable to the Company and ResidualCo for and shall, in addition, indemnify each of them and their respective Representatives from and against, all Losses suffered, sustained,

paid or incurred by each of them or their respective Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 6.2 been accurate and truthful.

7.2 Post-Closing Date Indemnity

Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which the Company, ResidualCo and their respective Representatives may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless the Company, ResidualCo and their respective Representatives from any and all Losses whatsoever which may be brought against or suffered by them or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Company, the Retained Assets or the Retained Liabilities and arising or accruing after Closing.

ARTICLE 8 MAINTENANCE OF RETAINED ASSETS

8.1 Maintenance of Retained Assets

From the date hereof until the Closing Date, the Company shall use reasonable commercial efforts, to the extent that the nature of its interest permits, and subject to the SISP Order and the Reverse Vesting Order:

- (a) to maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Retained Assets which become due from the date hereof to the Closing Date,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution or file any undertaking with a Governmental Authority with respect to any liability management program or other program.

8.2 Consent of the Purchaser

Notwithstanding Section 8.1, the Company shall not from the date hereof to the Closing Date, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets of which the Company's share is in excess of

\$35,000, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Retained Assets or title to the Retained Assets; or (iv) in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should the Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Retained Assets results, there shall be no abatement or reduction in the Purchase Price;

- (b) other than pursuant to ordinary course expiries, surrender or abandon any of the Retained Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same to the Company in a timely fashion, in which event the Retained Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (c) other than in ordinary course of business, materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets; or
- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof excepting: pursuant to preferential purchase rights; sales of non-material obsolete or surplus equipment.

8.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Retained Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in the Purchaser incurring an obligation pursuant to Section 8.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the **“Proposal”**):

- (a) the Company shall promptly give the Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) the Purchaser shall, not later than 48 hours prior to the time the Company is required to make its election with respect to the Proposal, advise the Company, by notice, whether the Purchaser wishes the Company to exercise the Company’s rights with respect to the Proposal on the Purchaser’s behalf, provided that the Purchaser’s failure to make such election within such period shall be deemed to be the Purchaser’s election to participate in the Proposal;
- (c) the Company shall make the election authorized (or deemed to be authorized) by the Purchaser with respect to the Proposal within the period during which the Company may respond to the Proposal; and
- (d) the Purchaser’s election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Retained Assets shall not entitle the Purchaser to any reduction of the Purchase Price if the Company’s interest therein is terminated as a result of such election and such termination shall

not constitute a failure or breach of the Company's representations and warranties relating to such Retained Assets.

8.4 Licence Transfers

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser's sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

8.5 Payments in Respect of Transferred Assets

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset (including a Tax Refund), the recipient of such payment or other consideration shall promptly notify the Company and promptly pay and transfer such payment or other consideration to the Company, on behalf of ResidualCo. From and after Closing, the Company and the Purchaser shall provide reasonable cooperation to ResidualCo to enable ResidualCo to obtain the benefit of any Transferred Asset.

8.6 Agreement Regarding Fees

The Purchaser hereby acknowledges and agrees that it will be responsible for any and all fees incurred by the Purchaser in connection with the formulation, negotiation, submission, and pursuit of its bid.

ARTICLE 9 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

9.1 Company to Provide Access

Prior to Closing, the Company shall, subject to all contractual and fiduciary obligations, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession of the Company, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Company and ResidualCo from and against all liabilities, Claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 9.1 shall survive the Closing Date indefinitely.

9.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the Company or ResidualCo, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Company or any of them.

9.3 Maintenance of Information

All of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

ARTICLE 10 GENERAL

10.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

10.2 Liability of the Company or ResidualCo

Under no circumstances shall the Company or ResidualCo or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

10.3 Entire Agreement

Except for the SISP Order, Reverse Vesting Order and the Share Purchase Agreement, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Subscription Agreement and, in the event of conflict, except for the SISP Order or the Reverse Vesting Order, the provisions of this Subscription

Agreement shall prevail. In the event that Closing occurs, except for the SISP Order and the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Share Purchase Agreement and Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

10.4 Governing Law

This Subscription Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the proceedings bearing Alberta Court of King's Bench Court Action No. 25-3009380. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

10.5 Assignment and Enurement

This Subscription Agreement shall not be assigned by the Purchaser without the prior written consent of the Company, which consent may be unreasonably and arbitrarily withheld. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

10.6 Time of Essence

Time is of the essence in this Subscription Agreement.

10.7 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Company: Athabasca Minerals Inc.
407 2 Street SW, Suite 1730
Calgary, AB Canada T2P 2Y3

Attention: Dana Archibald, Chief Executive Officer
Email: dana.archibald@athabascaminerals.com

With a copy to its legal counsel at:

Fasken Martineau DuMoulin LLP
Suite 3400, 350 7 Avenue SW
Calgary, AB Canada T2P 3N9

Attention: Robyn Gurofsky / Jessica Cameron
Email: rgurofsky@fasken.com / jcameron@fasken.com

Purchaser: JMAC Resources Ltd.
c/o JMAC Energy Services LLC
121 – 48 Avenue SW
Williston, ND 58801 USA

Attention: Jon McCreary
Email: jon@jmacresources.com

With a copy to its legal counsel at:

Field LLP
444 – 7th Avenue SW, Suite 400
Calgary, AB Canada T2P 0X8

Attention: Doug Nishimura / Melissa Cook
Email: dnishimura@fieldlaw.com / mcook@fieldlaw.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth Business Day following the date of mailing.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

10.8 Invalidity of Provisions

In case any of the provisions of this Subscription Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.10 Amendment

This Subscription Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

10.11 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement); (ii) in connection with obtaining the Reverse Vesting Order; or (iii) upon request by a secured creditor.

10.12 Sealing Order

The Company may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Company or the Proposal Trustee containing the financial and other confidential details of these Transactions (the “**Confidential Materials**”), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Company, if granted, only the judge presiding over the Proposal Proceedings, the Purchaser and their respective Representatives, and the secured creditors of the Company who have executed confidentiality agreements, and subject to the terms of those confidentiality agreements, shall have access to the Confidential Materials and the confidential information contained therein.

10.13 Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or

- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 5.2, 5.3 or 5.4, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to confidentiality (Section 10.11) and the use of personal information (Section 10.14).

10.14 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and

the Purchaser's obligations set forth in this Section 10.14 shall survive the Closing Date indefinitely.

10.15 Directors

- (a) At Closing, Todd Erickson shall be the director of the Company and Todd Erickson shall be the sole director of ResidualCo, and all other prior directors shall be deemed to have resigned effective at Closing.

(Remainder of page intentionally left blank)

10.16 Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Subscription Agreement as of the date first above written.

ATHABASCA MINERALS INC.

JMAC RESOURCES LTD.

Per: _____

Name:

Title:

Per: _____

Name: Jon McCreary

Title: President

THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024 BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.

Form of Reverse Vesting Order

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER
COURT

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

JUDICIAL CENTRE

CALGARY

MATTER

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
ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

APPLICANTS

ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP

Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON 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, approving the reverse vesting share transaction (the “**Transaction**”) in respect of AMI

contemplated by the Subscription Agreement between AMI and [REDACTED] (the “**Purchaser**”) dated [REDACTED] (the “**Subscription Agreement**”), and attached as Exhibit [REDACTED] to the Affidavit of [REDACTED] sworn [REDACTED] (the “**Affidavit**”);

AND UPON HAVING READ the within Notice of Application, the [REDACTED] Affidavit and the [REDACTED] Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “**Proposal Trustee**”) dated [REDACTED] (the “[REDACTED] **Report**”), the Affidavit of Service of Kim Picard, sworn [REDACTED], the Order of this Court granted on December 12, 2023 (the “**First Order**”), and the other pleadings previously filed in the within proposal proceedings;

AND UPON HEARING the submissions of counsel for the Companies, the Proposal Trustee, the Purchaser, and such other counsel in attendance at the hearing of the Application:

IT IS HEREBY ORDERED THAT:

SERVICE

1. Service of the notice of this Application for this Order and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this Application, and the time for service of this Application is abridged to that actually given and this Application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement and the First Order, as applicable.

APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the

Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.

4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of the Company proceeding with the Transactions, and no shareholder or other approval shall be required in connection therewith.

ISSUANCE OF SHARES

5. On the Closing Date, AMI is hereby authorized and directed to issue the Purchased Shares to the Purchaser in consideration for the Purchase Price, and in accordance with paragraph 6 of this Order.
6. The following shall occur and shall be deemed to have occurred at the Effective Time (as defined below), all in accordance with the closing sequence set out in the Subscription Agreement and the steps contemplated thereunder:
 - a) The Purchaser shall pay the Purchase Price to the Proposal Trustee, for the benefit of AMI, and the Purchase Price shall be dealt with in accordance with the closing sequence;
 - b) Each Common Share outstanding shall be transferred to ResidualCo and, in consideration therefor, ResidualCo shall issue one (1) ResidualCo Share for each Common Share;
 - c) All Equity Interests, including Common Shares, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled in accordance with and pursuant to this Order; and
 - d) The Purchased Shares shall be issued from treasury by AMI to the Purchaser free and clear of and from any Claims and Encumbrances.
7. The Purchaser and AMI, in completing the Transactions, are authorized to:
 - a) Execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the

Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and

- b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.
8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 (“**ABCA**”) shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription Agreement, filed by AMI.

VESTING OF ASSETS AND LIABILITIES

9. Subject to the terms of the Subscription Agreement, upon delivery of a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule “A” hereto (the “**Proposal Trustee’s Certificate**”), the following shall occur and be deemed to occur commencing at the time of delivery of the Proposal Trustee’s Certificate (the “**Effective Time**”) in the following sequence:
- a) all right, title and interest of the Companies in and to the Transferred Assets shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - b) all right, title and interest of the Companies in and to the Transferred Liabilities shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - c) and for further clarity, all right, title and interest of the Companies in and to the Transferred Contracts shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - d) all Claims and Encumbrances in respect of the Companies, other than the Retained Liabilities, shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in ResidualCo, and (i) such Claims and Encumbrances shall continue to attach to the Transferred Assets with the same nature and priority

as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and had remained in the possession or control of the person having that possession or control immediately prior to the transfer;

- e) all Claims and Encumbrances other than the Retained Liabilities shall be irrevocably and forever expunged, released and discharged as against the Companies, the Purchaser, and the Retained Assets;
- f) without limiting subparagraph 9(c), any and all security registrations against the Companies (other than any security registrations in respect of a Retained Liability) shall be and are hereby forever released and discharged as against the Companies, and all such security registrations shall attach to the Transferred Assets vested in ResidualCo and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by ResidualCo of such security registrations;
- g) for clarity, the Purchase Price, less the quantum of the Administration Charge, the Interim Lender's Charge, and the KERP Charge (the "**Purchase Price Holdback**"), shall be transferred to, assumed by, and shall vest absolutely and exclusively without recourse in ResidualCo;
- h) from the Purchase Price Holdback, the Proposal Trustee shall hold the quantum of the Administration Charge in a non-interest bearing trust account for the beneficiaries of that charge until further Order of this Court;
- i) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the Interim Lender's Charge to JMAC Energy Services LLC, as Interim Lender, following which, the Interim Lender's Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;

- j) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the KERP charge to the beneficiaries of such charge, following which, the KERP Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;
 - k) the Companies shall cease to be Applicants in, or subject to, this Action and shall be released from the purview of the notice of intention proceedings pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) the First Order, and all other orders of this Court granted in these proceedings; and
 - l) ResidualCo shall be substituted as the Applicant in this Action, and debtor in these proposal proceedings, *nunc pro tunc*, as if ResidualCo had always been a party to these proceedings since the filing date of November 13, 2023.
10. As of the Effective Time:
- a) AMI shall continue to hold all right, title and interest in and to the Retained Assets, free and clear of all Claims and Encumbrances other than the Retained Liabilities; and
 - b) AMI shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.
11. For greater certainty, any person that, prior to the Effective Time, had a Claim or Encumbrance other than a Retained Liability against the Companies or their assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Companies or the Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, against the Transferred Assets to be administered by the Proposal Trustee in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim or Encumbrance of any Person as against the Transferred Assets to be administered by the Proposal Trustee in ResidualCo.

12. From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.
13. Upon the delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transactions, and to discharge and release all Claims and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RESIDUALCO MATTERS

14. An individual who is a nominee of AMI and the Purchaser (the "**First Director**") is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.
15. Notwithstanding section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.
16. The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.

17. ResidualCo shall be deemed to be the former employer of any former employees of AMI who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*.
18. The administration of ResidualCo shall remain subject to the Proposal Trustee's appointment and oversight, and this Court's oversight and these proposal proceedings.
19. In the event the Transferred Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, the Proposal Trustee may declare a special dividend payable to ResidualCo shareholders in such amounts as determined by the Proposal Trustee in its sole discretion. The record date for such distribution shall be set as the date of granting of this Order.
20. In addition to and without limiting the rights and protections afforded to the Proposal Trustee pursuant to the BIA, the First Order, and any subsequent Order granted by this Court in the within proceedings, the Proposal Trustee and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering ResidualCo, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Proposal Trustee pursuant to the First Order, any further order granted in these proceedings or under the BIA shall continue to apply.

RELEASES AND OTHER PROTECTIONS

21. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:

- a) the Transferred Assets;
 - b) any and all Claims or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - c) the insolvency of the Companies prior to the Effective Time;
 - d) the commencement or existence of the NOI Proceedings; or
 - e) the completion of the Transactions.
22. From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, and (d) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.
23. No action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these proposal proceedings or ResidualCo, except with prior leave of this Court on not less than fifteen (15) days’ prior written notice to the applicable Released Party and upon further order security, as security for costs, the full

indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

MISCELLANEOUS MATTERS

24. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), AMI, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in AMI's records pertaining to past and current employees of AMI. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by AMI prior to the Effective Time.
25. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee's Certificate forthwith after delivery thereof to the Purchaser.
26. Notwithstanding:
 - a) the pendency of these proceedings;
 - b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership order issued pursuant to any such application; or
 - c) the provisions of any federal or provincial statute,

the execution of the Agreement and the implementation of the Transactions shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Companies and shall not be void or voidable by creditors of ResidualCo or the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute

oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

27. Following the Effective Time, the style of cause of these proposal proceedings shall be hereby amended by being deleted and replaced in its entirety by the following:

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 **ResidualCo**

28. The Companies, the Purchaser, the Proposal Trustee, and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.
29. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Subscription Agreement and all amendments thereto, in connection with any dispute involving the Companies or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Companies or ResidualCo related in any way to the Transactions.
30. This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee 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 and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.

31. Service of this Order may be effected by facsimile, electronic mail, personal delivery, registered mail or courier.

**Justice of the Court of King's Bench of
Alberta**

Schedule "A" - Form of Proposal Trustee's Certificate

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER

Clerk's Stamp

COURT COURT OF KING'S BENCH OF
ALBERTA, IN BANKRUPTCY &
INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER 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 ATHABASCA
MINERALS INC., AMI SILICA INC.,
AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT
ENGINEERING LTD., 2132561
ALBERTA LTD., and 2140534 ALBERTA
LTD.

DOCUMENT **Proposal Trustee's Certificate**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP
Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

RECITALS

32. On November 13, 2023, 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**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal trustee of the Companies’ within Proposal Proceedings (and in such capacity the “**Proposal Trustee**”).
33. Pursuant to an Order of the Honourable _____ of the Alberta Court of King’s Bench, Judicial District of Calgary (the “**Court**”) dated _____, 2024 (the “**Transaction Approval Order**”), the Court approved the transactions contemplated by the Subscription Agreement dated _____, 2024 (the “**Subscription Agreement**”) between AMI and _____ (the “**Purchaser**”).
34. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Shares payable on the Closing Date pursuant to the Subscription Agreement and the Transaction Approval Order;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by AMI and/or the Purchaser, as the case may be; and
3. The Transactions contemplated by the Subscription Agreement and the Transaction Approval Order have been completed to the satisfaction of the Proposal Trustee.

4. This Certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

**KSV Restructuring Inc., in its capacity as
Proposal Trustee of and not in its
personal or corporate capacity**

Per: _____

Name: Andrew Basi

Title: Managing Director

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- the cash or wire transfer of immediately available funds received as the Purchase Price;
- all cash, bank balances, funds, deposits or monies owned or held by the Companies or any other Person (including any bank or depository) on behalf of the Companies at Closing and all cash equivalents, securities and investments of the Companies at Closing;
- all accounts receivable, bills receivable, trade accounts, holdbacks, retention, book debts, insurance claims and other amounts due or accruing to the Companies and includes, for greater certainty, any and all Tax Refunds, and together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, which arise prior to Closing;
- all Tax Refunds which arise prior to Closing;
- all prepaid expenses or other security or collateral provided by the Companies; and
- any and all other assets or interests of the Companies other than the Retained Assets.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- any and all funded indebtedness;
- any and all promissory notes issued by the Companies;
- any and all operating and tax liabilities related to the Transferred Assets;
- any and all operating liabilities to the extent they are trade claims, trade payables, utility bills or other unsecured claims, and excluding any amounts that would constitute a priority claim on or against any Retained Assets;

- any and all liabilities associated with shareholder loans to the Companies;
- any and all trade claims, trade payables or other unsecured claims;
- any and all liabilities relating to any employment agreements, severance payments and/or termination payments;
- the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court.

Transferred Contracts

The Transferred Contracts, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- none, unless otherwise agreed by the Company and the Purchaser.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Company, mean:

- the Real Property;
- all books and records of the Companies, including minute books, books of account, ledgers, general, financial and accounting records, tax returns and other records in the possession and control of the Companies or the Proposal Trustee, but in each case excludes all books and records in respect of the Transferred Assets and Transferred Liabilities, and excludes any email correspondence of the Companies (including any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;
- the Companies' bank accounts and all agreements related thereto (the Purchaser acknowledges that the balances in such accounts shall be \$0.00 at Closing);
- all regulatory and license attributes of the Companies;

- including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;
- letters of intent, nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements (other than any employment agreements);
- all shares of capital stock or other Equity Interests in any Affiliate of the Company;
- any intercompany indebtedness or claim owing to the Company by an Affiliate of the Company;
- all organizational documents, corporate books and records, income tax returns and the corporate seal of the Company;
- any records that are required by law to be retained by the Companies;
- all computer servers and websites;
- all office equipment;
- all tax attributes, if any, of the Companies inherent to them, including all rights related to former tax returns, operating, non-operating, and capital loss balances or carry forwards and tax audits;
- all current and prior director and officer insurance policies of the Company and all rights of any nature with respect thereto running in favor of the Company;
- any and all rights of the Company under this Subscription Agreement and the Reverse Vesting Order; and
- all rights, Losses or causes of action by or on behalf of the Companies against any Person.

Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Company, mean:

- nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements;
- all new liabilities incurred, assumed or accepted by the Company after Closing;
- any and all regulatory, environmental and government liabilities related to the Lands and Buildings & Fixtures;

- all operating and tax liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- any intercompany indebtedness or claim owing to an Affiliate of the Company; and
- any other obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

Retained Contracts

The Retained Contracts, being those assets to be retained by the Company through operation of the Reverse Vesting Order, mean:

- all contracts of the Company, unless otherwise agreed by the Company and the Purchaser.

THE FOLLOWING COMPRISES SCHEDULE “C” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.

The Lands

All lands owned, leased or licensed by the Company and any other interest in land of the Company.

UNANIMOUS WRITTEN ACTION OF
THE MEMBERS OF
JMAC ENERGY SERVICES, LLC

The undersigned, being the sole Member of **JMAC Energy Services, LLC**, a Delaware limited liability company (the “**Company**”), does hereby adopt the following resolutions, effective as of the January 31, 2024, in accordance with Company’s Limited Liability Agreement and the Delaware Limited Liability Company Act:

RESOLUTION NO. 1

RESOLVED, that Company shall submit a binding offer to purchase (the “**Bid**”) all of the issued and outstanding securities of AMI Silica LLC held by Athabasca Minerals Inc. pursuant to the terms of a share purchase agreement substantially in the form attached hereto as Exhibit "A" (the “**Share Purchase Agreement**”).

RESOLVED FURTHER, that Jon McCreary, in his capacity as Manager, authorized and directed to do all such acts and things and to execute and deliver all such documents and instruments (written or unwritten) for and on behalf of the Company as Jon McCreary deems necessary or desirable to give effect to the above resolution, including without restricting the generality of the foregoing, executing and delivering the Share Purchase Agreement and any and all documents associated with or ancillary to the Share Purchase Agreement or the Bid, making all applicable filings with governmental, regulatory and/or taxation authorities, paying any consideration, fees or taxes associated therewith, obtaining, negotiating, executing, and delivering, as applicable, all certificates, directions, ancillary agreements, and consents and governmental or third party approvals or authorizations as may be required or advisable to give effect to the matters contemplated by the above resolution or as may otherwise be required to ensure general compliance with applicable law as well as the Company's material agreements and such other instruments and documents as may be necessary to give full force and effect to the Share Purchase Agreement and Bid.

RESOLUTION NO. 2

RESOLVED, that any acts undertaken by the Company, its Member, or its Manager prior to the date hereof and in connection with the subject matter of Resolution No. 1 be and are hereby ratified, confirmed, and approved.


Jon McCreary, Member 31-01-24
Date

(Constituting all of the Members of JMAC
Energy Services, LLC)

EXHIBIT "A"

JMAC ENERGY SERVICES, LLC

Share Purchase Agreement

[See Attached]

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is effective as of January 31, 2024.

BETWEEN:

ATHABASCA MINERALS INC.,
a corporation existing pursuant to the *Business Corporations Act* (Alberta)
(the "**Vendor**")

- and -

JMAC ENERGY SERVICES, LLC,
a limited liability corporation existing pursuant to the laws of the state of
Delaware (the "**Purchaser**")

RECITALS

WHEREAS:

- A. the Vendor is the registered and beneficial owner of an aggregate of 125,000 voting membership units (the "**Purchaser Units**") of AMI Silica LLC (the "**Company**");
- B. the Vendor hereby contracts and agrees with the Purchaser for the absolute sale to the Purchaser of the Purchaser Units held by the Vendor, on the terms and conditions contained in this Agreement (as defined herein); and
- C. the Vendor and the Purchaser hereby agree to take all steps as may be necessary to give effect to the transactions contemplated by this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of this Agreement and the mutual terms and conditions set forth herein, the parties agree as follows:

DEFINITIONS

- 1. In this Agreement, the following terms shall have the following respective meanings:
 - (a) "**Act**" means the *Income Tax Act* (Canada);
 - (b) "**Agreement**" means this agreement and any amendments hereof;
 - (c) "**Effective Date**" means the date first above written;
 - (d) "**Purchase Price**" has the meaning ascribed to such term in Section 3 hereof;
 - (e) "**Purchaser Units**" has the meaning ascribed to such term in the Recitals; and

- (f) "**Tax**" means any federal, provincial, state, county, municipal, local, foreign and other income, profits, gains, net worth, sales, use, *ad valorem*, gross receipts, business and occupation, estimated, stamp, custom duties, occupation, property (real or personal), franchise, capital stock, license, excise, value added, payroll, employees, income withholding, social security, workers compensation levy, employment insurance or other tax and any penalty, fine, addition to tax and interest on the foregoing.

PURCHASE AND SALE OF THE PURCHASER UNITS

2. Subject to the terms of this Agreement, the Vendor hereby sells, assigns and transfers to the Purchaser, and the Purchaser hereby purchases from the Vendor, effective as of the Effective Date, all right, title and interest of the Vendor in and to all of the Purchaser Units held by the Vendor.

PURCHASE PRICE

3. The aggregate purchase price for the Purchaser Units is \$11,000,000 (the "**Purchase Price**"), being the fair market value of the Purchaser Units. Upon receipt by the Purchaser of the share certificate representing the Purchaser Units duly endorsed for transfer and accompanied by a stock transfer power of attorney, or satisfactory evidence of registration of the Purchaser Units in the name of the Purchaser, the Purchaser shall pay the Purchase Price, as agreed upon pursuant to this Agreement, to the Vendor.
4. The Purchase Price shall be paid by the Purchaser to the Vendor, or by the Company or its counsel on behalf of the Purchaser, by way of cash, cheque or any form of electronic transfer, or as otherwise directed in writing by the Vendor, as of the Effective Date or as soon as reasonably practicable thereafter.

COVENANTS, REPRESENTATIONS AND WARRANTIES

5. The Vendor covenants, represents and warrants the following:
- (a) the Vendor is a corporation duly incorporated and is organized and validly existing under the *Business Corporations Act* (Alberta) (the "**ABCA**") and has the full requisite corporate power, capacity and authority to execute and deliver this Agreement and to perform its obligations hereunder and to convey to the Purchaser the Purchaser Units;
 - (b) this Agreement has been duly authorized, executed and delivered by the Vendor and is a legal, valid and binding obligation of the Vendor, enforceable against the Vendor by the Purchaser in accordance with its terms, subject to bankruptcy, insolvency and similar laws relating to or affecting creditors' rights generally and to general principles of equity;
 - (c) the Vendor is the registered and beneficial holder of the Purchaser Units, which represent 50% of the 250,000 voting membership units of the Company that are issued and outstanding;
 - (d) the execution of this Agreement and the consummation of the transactions contemplated hereby satisfy and comply with all relevant provisions of the ABCA and no other corporate proceedings on the part of the Vendor are necessary to approve or adopt this Agreement or the transactions contemplated hereby;

- (e) the Vendor is not acting as agent or trustee for any other person and is the sole legal, registered and beneficial owner of the Purchaser Units;
 - (f) the Purchaser Units are, and as of the Effective Date and at the time of sale and transfer shall, be free and clear from all liens, charges, and encumbrances, covenants, restrictions, and reservations hereto other than pursuant the Operating Agreement of the Company;
 - (g) there is no suit, action or legal or administrative proceeding existing or threatened in respect of the Purchaser Units and no person has any agreement, option, understanding or commitment, or any right or privilege, whether by law, pre-emptive or contractual, capable of becoming a right, agreement, option or commitment, for the purchase, transfer, assignment, pledge, charge or mortgage from or by the Vendor of any part of the Purchaser Units other than pursuant to this Agreement;
 - (h) the Vendor shall do all such things and deliver to the Purchaser all transfers and assignments required to convey the Purchaser Units from the Vendor to the Purchaser;
 - (i) the Vendor is not a "non-resident" of Canada for the purposes, and within the meaning, of the Act; and
 - (j) the covenants, representations, warranties and agreements contained in this Agreement shall not merge with the conveyance of the Purchaser Units into the name of the Purchaser.
6. The Purchaser covenants, represents and warrants the following:
- (a) the Purchaser is a is a limited liability corporation existing under the laws of the State of Delaware (the "**Delaware Act**") and has the full requisite corporate power, capacity and authority to execute and deliver this Agreement and to perform its obligations hereunder;
 - (b) this Agreement has been duly authorized, executed and delivered by the Purchaser and is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser by the Vendor in accordance with its terms, subject to bankruptcy, insolvency and similar laws relating to or affecting creditors' rights generally and to general principles of equity;
 - (c) the execution of this Agreement and the consummation of the transactions contemplated hereby satisfy and comply with all relevant provisions of the Delaware Act and no other corporate proceedings on the part of the Purchaser are necessary to approve or adopt this Agreement or undertake the transactions contemplated hereby; and
 - (d) the covenants, representations, warranties and agreements contained in this Agreement shall not merge with the conveyance of the Purchaser Units into the name of the Purchaser.

HEADINGS AND RECITALS

7. The headings in this Agreement are for reference purposes and shall not affect in any way the meaning and interpretation of this Agreement.
8. The Recitals to this Agreement are true and correct and form an integral part of this Agreement.

SURVIVAL OF REPRESENTATIONS AND WARRANTIES

9. The representations and warranties set out in Sections 5 and 6 of this Agreement shall survive the closing of the purchase and sale of the Purchaser Units provided for herein and shall continue in full force and effect for the benefit of the party in whose favour they are expressed to be made, and be binding upon the party by whom they are made.

TAX

10. The Vendor shall be solely responsible and liable for any Tax arising from or attributable to the sale of the Purchaser Units to the Purchaser under this Agreement.

ADJUSTMENTS

11. All profits and receipts in respect of the Purchaser Units and all costs, expenses and outgoings in respect thereof up to the Effective Date shall belong to, or, as the case may be, be paid by and discharged by the Vendor. From and after the Effective Date all profits and receipts in respect of the Purchaser Units and all costs, expenses and outgoings in respect thereof shall belong to, or, as the case may be, be paid by and discharged by the Purchaser.

TRUST AFTER EFFECTIVE DATE

12. To the extent that the Purchaser Units are not fully transferred and conveyed to the Purchaser on the Effective Date, the Vendor will hold the Purchaser Units and/or any interest therein as bare trustee and agent for the Purchaser and will not deal with the Purchaser Units in any way whatsoever except at the discretion and prior direction of the Purchaser.

AMENDMENT

13. This Agreement may not be amended, modified or varied except by an instrument in writing signed by the parties.

APPLICABLE LAW

14. This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom with respect to all matters arising hereby.

SUCCESSORS AND ASSIGNS

15. This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and their respective heirs, executors, administrators, successors and permitted assigns. Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party.

FURTHER ASSURANCES

16. The parties to this Agreement shall, without further consideration, do and perform all such further acts and execute all such further deeds and documents as are reasonably required in order to give effect to this Agreement and the transactions contemplated hereby.

ENTIRE AGREEMENT

17. This Agreement, together with any agreement and other documents to be delivered in conjunction herewith, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

TIME OF ESSENCE

18. Time shall be of the essence in this Agreement.

CURRENCY

19. Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "\$" refers to Canadian dollars.

EXECUTION

20. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall together be deemed to constitute one agreement. The Vendor and the Purchaser agree that execution and delivery of this Agreement by industry standard electronic signature software and/or by exchanging PDF signatures shall have the same legal force and effect as the exchange of original signatures and that in any proceeding arising under or relating to this Agreement, each party hereby waives any right to raise any defense or waiver based upon execution of this Agreement by means of such electronic signatures or maintenance of the executed agreement electronically.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement the date first above written.

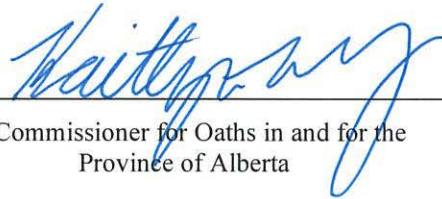
ATHABASCA MINERALS INC.

Per: _____
Name:
Title:

JMAC ENERGY SERVICES LLC

Per: _____
Name: Jon McCreary
Title: Director

This is Exhibit "C"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 20th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
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SUBSCRIPTION AGREEMENT

BETWEEN:

ATHABASCA MINERALS INC.

- and -

JMAC RESOURCES LTD.

_____, 2024

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Schedule "D" – Cure Costs

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT made as of _____, 2024.

BETWEEN:

ATHABASCA MINERALS INC. (the “**Company**”)

- and -

JMAC RESOURCES LTD. (the “**Purchaser**”)

WHEREAS:

- A. On November 13, 2023, the Company, TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively, the “**Companies**”) each filed a notice of intention to make a proposal under the BIA (as defined herein) as amended with the Office of the Superintendent of Bankruptcy (the “**Proposal Proceedings**”);
- B. KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”);
- C. On December 12, 2023, the Companies obtained an order from the Court of King’s Bench of Alberta (the “**Court**”) in the Judicial District of Calgary, Alberta, which, among other things, approved the procedure for the Companies’ sales and investment solicitation process of the Companies (the “**SISP Order**”);
- D. Further to the SISP Order, the Company and the Purchaser entered into negotiations for the subscription for and purchase of the Purchased Shares (as defined herein) by the Purchaser, to be completed through a series of transactions between the Company and the Purchaser to proceed by way of the Reverse Vesting Order (as defined herein);
- E. The Company wishes to issue from treasury to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- F. The Company shall effect a reorganization pursuant to the statutory procedure set out in Section 193 of the *Business Corporations Act* (Alberta) whereby, among other things, all existing Common Shares (as defined herein) issued and outstanding immediately prior to the Closing Date (as defined herein) shall be exchanged for consideration in the form of ResidualCo Shares (as defined herein) and then extinguished, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Agreement (the “**Reorganization**”);
- G. At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company; and

- H. The Transactions (as defined herein) contemplated by this Subscription Agreement (as defined herein) are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

- (a) **“Affiliate”** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **“control”** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;
- (b) **“Aggregate Purchase Price”** means the aggregate total of the Purchase Price and the Unit Purchase Price, in consideration for the issuance of the Purchased Shares and the sale, assignment and transfer of the Purchased Units;
- (c) **“AMIS LLC”** means AMI Silica LLC;
- (d) **“AMI Silica LLC Transaction”** means acquisition of the membership interest of AMIS LLC held by the Company by JMAC LLC pursuant to the terms and conditions of the Unit Purchase Agreement;
- (e) **“Applicable Law”** means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (f) **“BIA”** means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended from time to time;
- (g) **“Buildings and Fixtures”** means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the Lands;

- (h) “**Business Day**” means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (i) “**Claim**” means any claim, action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (j) “**Closing**” means the completion of the Transactions pursuant to this Subscription Agreement;
- (k) “**Closing Date**” the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 5 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (l) “**Closing Place**” means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (m) “**Common Shares**” means common shares in the capital of the Company;
- (n) “**Companies**” has the meaning ascribed thereto in the Recitals;
- (o) “**Company Release**” has the meaning ascribed thereto in the Section 4.4(b)(iii);
- (p) “**Confidentiality Agreement**” means the Confidentiality Agreement dated effective February 1, 2023 entered into between the Vendor and the Purchaser in connection with the Transaction;
- (q) “**Confidential Materials**” has the meaning ascribed thereto in Section 10.12;
- (r) “**Court**” has the meaning ascribed thereto in the Recitals;
- (s) “**Cure Costs**” means those cure costs described in Schedule “D” hereto in respect of monetary defaults owing in connection with the Retained Contracts;
- (t) “**Effective Time**” means 12:01 a.m. on the Closing Date;
- (u) “**Employees**” has the meaning ascribed thereto in Section 3.1;
- (v) “**Encumbrances**” means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), 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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order, the Reverse Vesting Order or any other order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of Alberta, British Columbia or any other personal property registry system or legislation;

- (w) “**Equity Interests**” includes: (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; and (iii) any warrants, options, convertible, exchangeable or exercisable securities, subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing;
- (x) “**Governmental Authority**” means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (y) “**GST**” means the goods and services tax payable pursuant to the GST Legislation;
- (z) “**GST Legislation**” means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (aa) “**Indemnified Claims**” has the meaning ascribed thereto in Section 4.4(b)(iii);
- (bb) “**JMAC LLC**” means JMAC Energy Services LLC;
- (cc) “**KERP**” means the Key Employee Retention Plan approved by the Court on December 12, 2023;
- (dd) “**KERP Charge**” means the charge securing payment of the KERP and approved by the Court on December 12, 2023;
- (ee) “**KERP Obligations**” means all obligations secured by the KERP Charge;
- (ff) “**Lands**” means the lands more particularly described in Schedule “C”;
- (gg) “**Losses**” means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (hh) “**Outside Date**” means March 12, 2024, or such other date as may be agreed upon between the Parties in writing;

- (ii) **“Parties”** means, collectively, all of the parties to this Subscription Agreement; and **“Party”** means a party to this Subscription Agreement;
- (jj) **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (kk) **“Proposal Proceedings”** has the meaning ascribed thereto in the Recitals;
- (ll) **“Proposal Trustee”** has the meaning ascribed thereto in the Recitals;
- (mm) **“Purchase Price”** has the meaning set out in Section 2.2;
- (nn) **“Purchase Price Balance”** has the meaning set out in Section 2.2;
- (oo) **“Purchased Shares”** means the approximately 78,582,686 Common Shares subscribed for by the Purchaser and sold by the Company hereunder, or such greater or lesser number as will give the Purchaser 100% of the issued Common Shares at Closing;
- (pp) **“Purchased Units”** means the purchase of an aggregate of 125,000 voting membership units of AMIS LLC by JMAC Energy Services, LLC, pursuant to the terms and conditions of the Unit Purchase Agreement;
- (qq) **“Real Property”** means collectively the Lands and all other Buildings and Fixtures;
- (rr) **“Recitals”** means the preamble and the recitals to this Agreement;
- (ss) **“Released Parties”** has the meaning ascribed thereto in Section 4.4(b)(iii);
- (tt) **“Reorganization”** has the meaning ascribed thereto in the Recitals;
- (uu) **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (vv) **“ResidualCo”** means a corporation to be incorporated by the Company in advance of Closing, to which the Transferred Assets, Transferred Contracts, and Transferred Liabilities will be transferred to, as part of the closing sequence as further set out in Section 4.3 of this Agreement;
- (ww) **“ResidualCo Shares”** means the common shares of ResidualCo;
- (xx) **“Retained Assets”** means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts;
- (yy) **“Retained Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto;

- (zz) “**Retained Liabilities**” means those liabilities described in Schedule “B” hereto;
- (aaa) “**Reverse Vesting Order**” means an Order of the Court, in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the cancellation of all of the issued and outstanding Equity Interests of the Company, other than the Purchased Shares); and (b) upon the delivery of a copy of the Trustee’s Certificate to the Purchaser, among other things: (i) transfers all of the Companies’ right, title and interest in and to the Transferred Assets and Transferred Contracts to ResidualCo; (ii) transfers all Transferred Liabilities to ResidualCo; (iii) releases and discharges the Companies from all of the Transferred Liabilities; and (iv) releases the Companies from the purview of the Proposal Proceedings and adds ResidualCo as an entity in the Proposal Proceedings;
- (bbb) “**SISP Order**” has the meaning ascribed thereto in the Recitals;
- (ccc) “**Subscription Agreement**” means this subscription agreement between the Company and the Purchaser, including all recitals and schedules attached hereto, and “**this Agreement**”, this “**Subscription Agreement**” “**herein**”, “**hereto**”, “**hereof**” and similar expressions mean and refer to this subscription agreement;
- (ddd) “**Taxes**” means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, whether disputed or not, and any liability for the payment of any such amounts as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, amounts or refunds owing in respect of any form of COVID-19 economic support, health insurance and governmental pension plan premiums or contributions;
- (eee) “**Tax Refunds**” means all payments, subsidies, claims with respect to subsidies, credits or refunds (including payments and refunds in respect of Taxes) to which the Companies are entitled that arose or relate to the period prior to Closing, including but not limited to: (i) any refund of goods and services taxes or harmonized sales taxes, (ii) any refund of federal or provincial income taxes, and (iii) any refund of premiums or payments relating to any provincial or federal workers’ compensation fund or program;

- (fff) “**Terminated Employee Claims**” has the meaning ascribed thereto in Section 3.1(b);
- (ggg) “**Terminated Employees**” has the meaning ascribed thereto in Section 3.1(a);
- (hhh) “**Third Party**” means any individual or entity other than the Companies and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (iii) “**Transactions**” means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement, the Reverse Vesting Order, and the Unit Purchase Agreement;
- (jjj) “**Transferred Assets**” means those assets described in Schedule “B” hereto and, where the context requires, includes the Transferred Contracts;
- (kkk) “**Transferred Contracts**” means those contracts, agreements and commitments described in Schedule “B” hereto;
- (lll) “**Transferred Liabilities**” means those liabilities described in Schedule “B” hereto, including without limitation, any Terminated Employee Claims or KERP Obligations;
- (mmm) “**Trustee’s Certificate**” means the certificate to be filed by the Proposal Trustee certifying that all conditions of Closing of the Transactions contemplated by this Subscription Agreement and approved by the Reverse Vesting Order have been satisfied;
- (nnn) “**Unit Purchase Agreement**” means the unit purchase agreement dated _____, 2024 between the Company and JMAC LLC in respect of the membership interest of AMIS LLC held by the Company; and
- (ooo) “**Unit Purchase Price**” means the purchase price as set forth in the Unit Purchase Agreement.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

- Schedule "A" – Form of Reverse Vesting Order
- Schedule "B" – Transferred Assets; Transferred Liabilities; Transferred Contracts; Retained Assets; Retained Liabilities and Retained Contracts
- Schedule "C" – The Lands
- Schedule "D" – Cure Costs

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

1.6 Damages

All Losses in respect of which a Party has a Claim pursuant to this Subscription Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.

1.7 Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Subscription Agreement which presumes that the Purchaser has acquired the Purchased Shares or the Retained Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a Schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law, the term or condition of such Applicable Law shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of all Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is \$2,000,000 (the “**Purchase Price**”). The Purchase Price shall be satisfied by the payment in cash by the Purchaser to the Company of an amount equal to the balance of the Purchase Price (the “**Purchase Price Balance**”).

2.3 Form of Payment

All payments to be made pursuant to this Subscription Agreement shall be in Canadian funds. All payments to be made pursuant to this Subscription Agreement shall be made by wire transfer.

ARTICLE 3 PRE-CLOSING MATTERS

3.1 Employee Matters

- (a) The Parties acknowledge that the Company has provided the Purchaser with an up-to-date list of the names and positions of all of the Company’s employees, consultants and contractors fulfilling an employee-like role (collectively, “**Employees**”) prior to the date hereof. The Parties further acknowledge that the Purchaser has provided to the Company a list of those Employees that it will not employ, and whose employment is to be terminated by the Company prior to Closing (the “**Terminated Employees**”).

- (b) The Company shall, prior to Closing, have terminated the employment of the Terminated Employees, as requested by the Purchaser, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all claims of the Terminated Employees in the amount equal to the payment that such Terminated Employees would have received under the BIA and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements (the “**Terminated Employee Claims**”), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the closing sequence set out in Section 4.3 of this Agreement, shall be discharged as against the Company and transferred to the ResidualCo.
- (c) The Company shall not make any change in the salary, benefits or other forms of compensation payable to the Employees during the period following the date hereof and ending on the Closing Date.
- (d) The Purchaser acknowledges and agrees that the information received pursuant to this Section 3.1 is confidential information and shall hold and use such information in compliance with all Applicable Law and without limiting the generality of the foregoing, all Applicable Law relating to privacy.

ARTICLE 4 CLOSING

4.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained.

4.2 Effectiveness of Reverse Vesting Order

Subject to the other terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

4.3 Closing

On the Closing Date, subject to the conditions set forth in Sections 5.2, 5.3 and 5.4 hereto being satisfied, complied with, or waived by the applicable Party or Parties, at or before the Outside Date, Closing shall take place in the following sequence:

- (a) First, JMAC Energy Services, LLC, shall pay the Unit Purchase Price to the Proposal Trustee, on behalf of the Company, to be paid in cash or wire transfer of immediately available funds;

- (b) Second, the Purchaser shall pay the Purchase Price to the Proposal Trustee, on behalf of the Company, to be paid in cash or wire transfer of immediately available funds;
- (c) Third, the Companies shall transfer to and cause ResidualCo to assume the Transferred Assets and Transferred Liabilities pursuant to the Reverse Vesting Order;
- (d) Fourth, all of the Companies' right title and interest in and to the Transferred Liabilities, but specifically excluding the Retained Liabilities, shall be channeled to, assumed by and vest absolutely and exclusively in ResidualCo for the purpose of allowing ResidualCo to continue to administer the Transferred Liabilities in accordance with the terms and conditions of the Reverse Vesting Order, for the benefit of the existing creditors of the Companies as at the Closing Date, and: (i) such Transferred Liabilities shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Closing Date, as set out in paragraph 9 of the Reverse Vesting Order; (ii) such Transferred Liabilities shall be transferred to and assumed by ResidualCo in consideration for the transfer of the Transferred Assets and the Purchase Price, such that the Transferred Liabilities shall become obligations of ResidualCo which shall be deemed to have been party to the contracts and agreements giving rise thereto and which shall stand in place and stead of the Companies in respect of any such liability or obligation, and shall no longer be obligations of the Companies;
- (e) Fifth, each Common Share outstanding immediately prior to the Closing Date shall be transferred to ResidualCo and, in consideration therefor, ResidualCo shall issue one (1) ResidualCo Share for each Common Share outstanding;
- (f) Sixth, each Equity Interest issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled in accordance with and pursuant to the Reverse Vesting Order;
- (g) Seventh, the Company shall have paid, assumed or otherwise satisfied the Retained Liabilities in accordance with the Reverse Vesting Order, and upon payment or assumption thereof, other than as set out in the Reverse Vesting Order, the Retained Liabilities shall be and are hereby forever released, expunged and discharged as against the Retained Assets, the Companies, and the Purchased Shares;
- (h) Eighth, the Retained Assets will be retained by the Company in each case free and clear of and from any and all Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order or any other order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property*

Security Act (Alberta), RSA 2000, c P-7, or any other personal property registry system or pursuant to the *Land Titles Act* (Alberta), RSA 2000, c L-4, all of which affecting or relating to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;

- (i) Ninth, the Company and JMAC Energy Services, LLC shall effect the closing of the AMI Silica LLC Transaction pursuant to the terms and conditions of the Unit Purchase Agreement;
- (j) Tenth, the Company shall issue from treasury the Purchased Shares to the Purchaser free and clear of and from any and all Encumbrances, and the Aggregate Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of the Companies' creditors;
- (k) Eleventh, the Company Release shall be released from escrow and shall become effective; and
- (l) Twelfth, the Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the SISP Order and all other orders of the Court granted in relation to the Proposal Proceedings.

4.4 Closing Deliveries

- (a) On the Closing Date, the Company shall deliver to the Purchaser:
 - (i) an entered copy of the Reverse Vesting Order;
 - (ii) one or more share certificates duly executed by the Company, or other satisfactory evidence such as a notice of uncertified securities, representing, in aggregate, the Purchased Shares registered in the name of the Purchaser as directed by the Purchaser;
 - (iii) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections 5.3(a) and 5.3(b) have been satisfied; and
 - (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions.
- (b) On the Closing Date, the Purchaser shall deliver to the Company:
 - (i) the Purchase Price, pursuant to Section 2.2, and the Unit Purchase Price pursuant to the Unit Purchase Agreement, which shall be paid to the Proposal Trustee on behalf of the Company;

- (ii) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 5.4(a) and 5.4(b) have been satisfied;
- (iii) an irrevocable release (the “**Company Release**”) by the Purchaser in favour of: (i) the Company’s current and former directors, officers, employees, agents, representatives, and all of their respective advisors, including financial advisors and legal counsel, (the “**Released Parties**”) from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown (collectively, the “**Indemnified Claims**”) against any of the Released Parties, including in their capacity as equity holders of the Company, as applicable; save and except for any and all Indemnified Claims arising out of or in connection with any fraud or willful misconduct, on the part of the Released Parties; and
- (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions.

ARTICLE 5 CONDITIONS OF CLOSING

5.1 Required Consents

- (a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transactions. The Parties acknowledge that, except for the Reverse Vesting Order, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser’s sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner and/or operator, of any of the Retained Assets, if any.
- (b) Notwithstanding anything to the contrary herein, except for the Reverse Vesting Order, it is the sole obligation of the Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the Transactions at the Purchaser’s sole cost and expense, including remedying any deficiencies under any contracts and agreements assumed by the Purchaser or that otherwise from part of the Retained Assets, including payment of all Cure Costs relating to any Retained Contracts. Upon providing prior written notice and sufficient documentary support, all reasonable and necessary costs, fees, expenses, penalties or levies that are incurred by the Company in order to effect the Transactions pursuant to the Reverse Vesting Order shall be the sole responsibility of the Purchaser, and the Purchaser agrees to pay on behalf of the Company any such reasonable and necessary costs, fees, expenses, penalties or levies on a timely basis.

5.2 Mutual Conditions

The obligation of the Purchaser to complete the Transactions, and of the Company to sell the Purchased Shares to the Purchaser, are subject to the following conditions precedent:

- (a) the Reverse Vesting Order being obtained;
- (b) the closing of the AMI Silica LLC Transaction pursuant to the terms and conditions of the Unit Purchase Agreement; and
- (c) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 5.2 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections 10.11 and 10.14, and Section 10.12 as applicable) shall automatically terminate without any further action on the part of either the Company or the Purchaser.

5.3 Purchaser's Conditions

The obligation of the Purchaser to purchase the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true in all material respects when made and shall remain true as of the Closing Date; and
- (b) all obligations of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 10.11 and 10.14.

5.4 Company's Conditions

The obligation of the Company to sell the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;

- (b) all obligations of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by the Purchaser to the Company at Closing, including the Aggregate Purchase Price, shall have been paid to the Proposal Trustee, on behalf of the Company, in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 10.11 and 10.14.

5.5 Efforts to Fulfil Conditions Precedent

The Purchaser and the Company shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Company

The Company makes only the following representations to the Purchaser, which representations shall not survive Closing:

- (a) subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions; and
- (b) subject to obtaining the Reverse Vesting Order, this Subscription Agreement is, and all documents executed and delivered pursuant to this Subscription Agreement will be, legal, valid and binding obligations of the Company enforceable against it in accordance with their terms.

6.2 Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) the Purchaser is a corporation registered and existing under the Applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on business as it is now being conducted;

- (b) the Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) the execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) the execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) this Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement, other than authorizations, approvals or exemptions from requirements previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) the Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;
- (h) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;
- (i) the Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Company;
- (j) the Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;

- (k) the Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment;
- (l) the Purchaser represents that it is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions*, and/or that it meets one of the other exemptions under Canadian securities laws;
- (m) the Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian securities laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser’s ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian securities laws;
- (n) the Purchaser is in compliance with all the requirements of all Governmental Authorities; and
- (o) the Purchaser is a WTO Investor or a Trade Agreement Investor for the purposes of the *Investment Canada Act* RSC, 1985, c. 28 (1st Supp).

6.3 Limitation of Representations by the Company

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section 6.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an “as is, where is” basis as they exist as of Closing;
- (b) except as expressly stated in Section 6.1, none of the Company or ResidualCo or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the business of the Company, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;
- (c) none of the Company, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, permits,

licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;

- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 6.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Subscription Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Purchaser might have against the Company, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 6.1 such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of this Section 6.3 shall survive and not merge on Closing.

ARTICLE 7 INDEMNITIES

7.1 Purchaser's Indemnities for Representations and Warranties

The Purchaser shall be liable to the Company and ResidualCo for and shall, in addition, indemnify each of them and their respective Representatives from and against, all Losses suffered, sustained, paid or incurred by each of them or their respective Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 6.2 been accurate and truthful.

7.2 Post-Closing Date Indemnity

Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which the Company, ResidualCo and their respective Representatives may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless the Company, ResidualCo and their respective Representatives from any and all Losses whatsoever which may be brought against or suffered by them or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Company, the Retained Assets or the Retained Liabilities and arising or accruing after Closing.

ARTICLE 8 MAINTENANCE OF RETAINED ASSETS

8.1 Maintenance of Retained Assets

From the date hereof until the Closing Date, the Company shall use reasonable commercial efforts, to the extent that the nature of its interest permits, and subject to the SISP Order and the Reverse Vesting Order:

- (a) to maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Retained Assets which become due from the date hereof to the Closing Date,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution or file any undertaking with a Governmental Authority with respect to any liability management program or other program.

8.2 Consent of the Purchaser

Notwithstanding Section 8.1, the Company shall not from the date hereof to the Closing Date, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets of which the Company's share is in excess of \$35,000, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Retained Assets or title to the Retained Assets; or (iv) in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent, including, without limitation, in connection with the Prosvita Sand Project and the Montney In-Basin Project; provided, however, that should the Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the

value of the Retained Assets results, there shall be no abatement or reduction in the Aggregate Purchase Price;

- (b) other than pursuant to ordinary course expiries, surrender or abandon any of the Retained Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same to the Company in a timely fashion, in which event the Retained Assets in question shall be surrendered or abandoned without abatement or reduction in the Aggregate Purchase Price;
- (c) other than in ordinary course of business, materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets; or
- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof excepting: pursuant to preferential purchase rights; sales of non-material obsolete or surplus equipment.

8.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Retained Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in the Purchaser incurring an obligation pursuant to Section 8.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the “**Proposal**”):

- (a) the Company shall promptly give the Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) the Purchaser shall, not later than 48 hours prior to the time the Company is required to make its election with respect to the Proposal, advise the Company, by notice, whether the Purchaser wishes the Company to exercise the Company’s rights with respect to the Proposal on the Purchaser’s behalf, provided that the Purchaser’s failure to make such election within such period shall be deemed to be the Purchaser’s election to participate in the Proposal;
- (c) the Company shall make the election authorized (or deemed to be authorized) by the Purchaser with respect to the Proposal within the period during which the Company may respond to the Proposal; and
- (d) the Purchaser’s election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Retained Assets shall not entitle the Purchaser to any reduction of the Aggregate Purchase Price if the Company’s interest therein is terminated as a result of such election and such termination shall not constitute a failure or breach of the Company’s representations and warranties relating to such Retained Assets.

8.4 Licence Transfers

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser's sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

8.5 Payments in Respect of Transferred Assets

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to any Transferred Asset (including a Tax Refund) or a Tax Refund that relates to any period prior to Closing, the recipient of such payment or other consideration shall promptly notify the Company and promptly pay and transfer such payment or other consideration to the Company, on behalf of ResidualCo. From and after Closing, the Company and the Purchaser shall provide reasonable cooperation to ResidualCo to enable ResidualCo to obtain the benefit of any Transferred Asset.

8.6 Agreement Regarding Fees

The Purchaser hereby acknowledges and agrees that it will be responsible for any and all fees incurred by the Purchaser in connection with the formulation, negotiation, submission, and pursuit of its bid.

ARTICLE 9 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

9.1 Company to Provide Access

Prior to Closing, the Company shall, subject to all contractual and fiduciary obligations, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession of the Company, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Company and ResidualCo from and against all liabilities, Claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 9.1 shall survive the Closing Date indefinitely.

9.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the Company or ResidualCo, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Company or any of them.

9.3 Maintenance of Information

All of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

ARTICLE 10 GENERAL

10.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

10.2 Liability of the Company or ResidualCo

Under no circumstances shall the Company or ResidualCo or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

10.3 Entire Agreement

Except for the SISP Order, Reverse Vesting Order and the Unit Purchase Agreement, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Subscription Agreement and, in the event of conflict, except for the SISP Order or the Reverse Vesting Order, the provisions of this Subscription

Agreement shall prevail. In the event that Closing occurs, except for the SISP Order and the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Unit Purchase Agreement and Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

10.4 Governing Law

This Subscription Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the proceedings bearing Alberta Court of King's Bench Court Action No. 25-3009380. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

10.5 Assignment and Enurement

This Subscription Agreement shall not be assigned by the Purchaser without the prior written consent of the Company, which consent may be unreasonably and arbitrarily withheld. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

10.6 Time of Essence

Time is of the essence in this Subscription Agreement.

10.7 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Company: Athabasca Minerals Inc.
407 2 Street SW, Suite 1730
Calgary, AB Canada T2P 2Y3

Attention: Dana Archibald, Chief Executive Officer
Email: dana.archibald@athabascaminerals.com

With a copy to its legal counsel at:

Fasken Martineau DuMoulin LLP
Suite 3400, 350 7 Avenue SW
Calgary, AB Canada T2P 3N9

Attention: Robyn Gurofsky / Jessica Cameron
Email: rgurofsky@fasken.com / jcameron@fasken.com

Purchaser: JMAC Resources Ltd.
c/o JMAC Energy Services LLC
121 – 48 Avenue SW
Williston, ND 58801 USA

Attention: Jon McCreary
Email: jon@jmacresources.com

With a copy to its legal counsel at:

Field LLP
444 – 7th Avenue SW, Suite 400
Calgary, AB Canada T2P 0X8

Attention: Doug Nishimura / Melissa Cook
Email: dnishimura@fieldlaw.com / mcook@fieldlaw.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth Business Day following the date of mailing.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

10.8 Invalidity of Provisions

In case any of the provisions of this Subscription Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.10 Amendment

This Subscription Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

10.11 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement); (ii) in connection with obtaining the Reverse Vesting Order; or (iii) upon request by a secured creditor.

10.12 Sealing Order

The Company may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Company or the Proposal Trustee containing the financial and other confidential details of these Transactions (the “**Confidential Materials**”), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Company, if granted, only the judge presiding over the Proposal Proceedings, the Purchaser and their respective Representatives, and the secured creditors of the Company who have executed confidentiality agreements, and subject to the terms of those confidentiality agreements, shall have access to the Confidential Materials and the confidential information contained therein.

10.13 Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or

- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 5.2, 5.3 or 5.4, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to confidentiality (Section 10.11) and the use of personal information (Section 10.14).

10.14 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and

the Purchaser's obligations set forth in this Section 10.14 shall survive the Closing Date indefinitely.

10.15 Directors

- (a) At Closing, Todd Erickson shall be the director of the Company and Todd Erickson shall be the sole director of ResidualCo, and all other prior directors shall be deemed to have resigned effective at Closing.

(Remainder of page intentionally left blank)

10.16 Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Subscription Agreement as of the date first above written.

ATHABASCA MINERALS INC.

JMAC RESOURCES LTD.

Per: _____
Name:
Title:

Per: _____
Name: Jon McCreary
Title: President

**THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING
PART OF A SUBSCRIPTION AGREEMENT DATED _____, 2024
BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.**

Form of Reverse Vesting Order

COURT FILE NUMBER & **25-3009380**

BANKRUPTCY ESTATE

NUMBER

COURT

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

JUDICIAL CENTRE

CALGARY

MATTER

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
ATHABASCA MINERALS INC., AMI SILICA INC.,
AMI AGGREGATES INC., AMI ROCKCHAIN INC.,
TERRASHIFT ENGINEERING LTD., 2132561
ALBERTA LTD., and 2140534 ALBERTA LTD.

APPLICANTS

ATHABASCA MINERALS INC., AMI SILICA INC.,
AMI AGGREGATES INC., AMI ROCKCHAIN INC.,
TERRASHIFT ENGINEERING LTD., 2132561
ALBERTA LTD., and 2140534 ALBERTA LTD.

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP
Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: **Calgary, Alberta**

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON 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, approving the reverse vesting share transaction (the "Transaction") in respect of AMI contemplated by the

Subscription Agreement between AMI and · (the “Purchaser”) dated · (the “Subscription Agreement”), and attached as Exhibit · to the Affidavit of · sworn · (the “ Affidavit”);

AND UPON HAVING READ the within Notice of Application, the · Affidavit and the · Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “**Proposal Trustee**”) dated · (the “ **Report**”), the Affidavit of Service of Kim Picard, sworn ·, the Order of this Court granted on December 12, 2023 (the “**First Order**”), and the other pleadings previously filed in the within proposal proceedings;

AND UPON HEARING the submissions of counsel for the Companies, the Proposal Trustee, the Purchaser, and such other counsel in attendance at the hearing of the Application:

IT IS HEREBY ORDERED THAT:

SERVICE

1. Service of the notice of this Application for this Order and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this Application, and the time for service of this Application is abridged to that actually given and this Application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement and the First Order, as applicable.

APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.

4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of the Company proceeding with the Transactions, and no shareholder or other approval shall be required in connection therewith.

TREATMENT OF SHARES AND UNITS

5. On the Closing Date, AMI is hereby authorized and directed to issue the Purchased Shares to the Purchaser and sell, assign and transfer the Purchased Units to JMAC Energy Services, LLC, in consideration for the Aggregate Purchase Price, and in accordance with paragraph 6 of this Order.
6. The following shall occur and shall be deemed to have occurred at the Effective Time (as defined below), all in accordance with the closing sequence set out in the Subscription Agreement and the steps contemplated thereunder:
 - (a) The Purchaser shall pay the Aggregate Purchase Price to the Proposal Trustee, for the benefit of AMI, and the Aggregate Purchase Price shall be dealt with in accordance with the closing sequence;
 - (b) Each Common Share outstanding shall be transferred to ResidualCo and, in consideration therefor, ResidualCo shall issue one (1) ResidualCo Share for each Common Share;
 - (c) All Equity Interests, including Common Shares, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled in accordance with and pursuant to this Order; and
 - (d) AMI shall sell, assign and transfer the Purchased Units to JMAC Energy Services, LLC; and
 - (e) The Purchased Shares shall be issued from treasury by AMI to the Purchaser free and clear of and from any Claims and Encumbrances.
7. The Purchaser and AMI, in completing the Transactions, are authorized to:
 - (a) Execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the

Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and

- (b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.
8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 (“**ABCA**”) shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription Agreement, filed by AMI.

VESTING OF ASSETS AND LIABILITIES

9. Subject to the terms of the Subscription Agreement, upon delivery of a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule “A” hereto (the “**Proposal Trustee’s Certificate**”), the following shall occur and be deemed to occur commencing at the time of delivery of the Proposal Trustee’s Certificate (the “**Effective Time**”) in the following sequence:
- (a) all right, title and interest of the Companies in and to the Transferred Assets shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - (b) all right, title and interest of the Companies in and to the Transferred Liabilities shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - (c) and for further clarity, all right, title and interest of the Companies in and to the Transferred Contracts shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo;
 - (d) all Claims and Encumbrances in respect of the Companies, other than the Retained Liabilities, shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in ResidualCo, and (i) such Claims and Encumbrances shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and had remained in the possession or control of the person having that possession or control immediately prior to the transfer;
 - (e) all Claims and Encumbrances other than the Retained Liabilities shall be irrevocably and forever expunged, released and discharged as against the Companies, the Purchaser, and the Retained Assets;

- (f) without limiting subparagraph 9(c), any and all security registrations against the Companies (other than any security registrations in respect of a Retained Liability) shall be and are hereby forever released and discharged as against the Companies, and all such security registrations shall attach to the Transferred Assets vested in ResidualCo and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by ResidualCo of such security registrations;
 - (g) for clarity, the Aggregate Purchase Price, less the quantum of the Administration Charge, the Interim Lender's Charge, and the KERP Charge (the "**Purchase Price Holdback**"), shall be transferred to, assumed by, and shall vest absolutely and exclusively without recourse in ResidualCo;
 - (h) from the Purchase Price Holdback, the Proposal Trustee shall hold the quantum of the Administration Charge in a non-interest bearing trust account for the beneficiaries of that charge until further Order of this Court;
 - (i) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the Interim Lender's Charge to JMAC Energy Services LLC, as Interim Lender, following which, the Interim Lender's Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;
 - (j) from the Purchase Price Holdback, the Proposal Trustee shall repay the obligations secured by the KERP charge to the beneficiaries of such charge, following which, the KERP Charge shall be forever expunged, released and discharged as against the Transferred Assets and ResidualCo;
 - (k) the Companies shall cease to be Applicants in, or subject to, this Action and shall be released from the purview of the notice of intention proceedings pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") the First Order, and all other orders of this Court granted in these proceedings; and
 - (l) ResidualCo shall be substituted as the Applicant in this Action, and debtor in these proposal proceedings, *nunc pro tunc*, as if ResidualCo had always been a party to these proceedings since the filing date of November 13, 2023.
10. As of the Effective Time:
- (a) AMI shall continue to hold all right, title and interest in and to the Retained Assets, free and clear of all Claims and Encumbrances other than the Retained Liabilities; and

- (b) AMI shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.
11. For greater certainty, any person that, prior to the Effective Time, had a Claim or Encumbrance other than a Retained Liability against the Companies or their assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Companies or the Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, against the Transferred Assets to be administered by the Proposal Trustee in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim or Encumbrance of any Person as against the Transferred Assets to be administered by the Proposal Trustee in ResidualCo.
 12. Notwithstanding paragraph 11, all Cure Costs shall be paid by the Purchaser to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Purchaser and the relevant counterparty to a Retained Contract.
 13. From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.
 14. Upon the delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of

this Order and the completion of the Transactions, and to discharge and release all Claims and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RESIDUALCO MATTERS

15. Todd Erickson (the "**First Director**") is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.
16. Notwithstanding section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.
17. The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.
18. ResidualCo shall be deemed to be the former employer of any former employees of AMI who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*.
19. The administration of ResidualCo shall remain subject to the Proposal Trustee's appointment and oversight, and this Court's oversight and these proposal proceedings.
20. Following the satisfaction and discharge of all Transferred Liabilities, all outstanding ResidualCo Shares shall be cancelled for either: (i) no consideration; or (ii) in the event the Transferred Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, such amounts as determined by the

Proposal Trustee in its sole discretion. Following the foregoing, all such ResidualCo Shares together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of ResidualCo shall be deemed terminated and cancelled in accordance with and pursuant to the this Order. The record date for such payment shall be set as the date of granting of this Order.

21. In addition to and without limiting the rights and protections afforded to the Proposal Trustee pursuant to the BIA, the First Order, and any subsequent Order granted by this Court in the within proceedings, the Proposal Trustee and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering ResidualCo, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Proposal Trustee pursuant to the First Order, any further order granted in these proceedings or under the BIA shall continue to apply.

RELEASES AND OTHER PROTECTIONS

22. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:
 - (a) the Transferred Assets;
 - (b) any and all Claims or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - (c) the insolvency of the Companies prior to the Effective Time;
 - (d) the commencement or existence of the NOI Proceedings; or
 - (e) the completion of the Transactions.

23. From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, and (d) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.
24. No action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these proposal proceedings or ResidualCo, except with prior leave of this Court on not less than fifteen (15) days’ prior written notice to the applicable Released Party and upon further order security, as security for costs, the full indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

MISCELLANEOUS MATTERS

25. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), AMI, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in AMI’s records pertaining to past and current employees of AMI. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be

entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by AMI prior to the Effective Time.

26. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee's Certificate forthwith after delivery thereof to the Purchaser.

27. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership order issued pursuant to any such application; or
- (c) the provisions of any federal or provincial statute,

the execution of the Agreement and the implementation of the Transactions shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Companies and shall not be void or voidable by creditors of ResidualCo or the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

28. Following the Effective Time, the style of cause of these proposal proceedings shall be hereby amended by being deleted and replaced in its entirety by the following:

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 [**ResidualCo**]

29. The Companies, the Purchaser, the Proposal Trustee, and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary or

desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.

30. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Subscription Agreement and all amendments thereto, in connection with any dispute involving the Companies or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Companies or ResidualCo related in any way to the Transactions.
31. This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee 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 and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.
32. Service of this Order may be effected by facsimile, electronic mail, personal delivery, registered mail or courier.

**Justice of the Court of King's Bench of
Alberta**

Schedule “A” - Form of Proposal Trustee’s Certificate

COURT FILE NUMBER & BANKRUPTCY ESTATE NUMBER **25-3009380**

COURT COURT OF KING’S BENCH OF ALBERTA, IN BANKRUPTCY & INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER 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 ATHABASCA MINERALS INC., AMI SILICA INC., AMI AGGREGATES INC., AMI ROCKCHAIN INC., TERRASHIFT ENGINEERING LTD., 2132561 ALBERTA LTD., and 2140534 ALBERTA LTD.

DOCUMENT **Proposal Trustee’s Certificate**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Fasken Martineau DuMoulin LLP**
Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com /
 jcameron@fasken.com
File No. 318938.00024

Clerk’s Stamp

RECITALS

1. On November 13, 2023, 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**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal

trustee of the Companies' within Proposal Proceedings (and in such capacity the "**Proposal Trustee**").

2. Pursuant to an Order of the Honourable _____ of the Alberta Court of King's Bench, Judicial District of Calgary (the "**Court**") dated _____, 2024 (the "**Transaction Approval Order**"), the Court approved the transactions contemplated by the Subscription Agreement dated _____, 2024 (the "**Subscription Agreement**") between AMI and _____ (the "**Purchaser**").
3. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Aggregate Purchase Price for the Purchased Shares and the Purchased Units payable on the Closing Date pursuant to the Subscription Agreement and the Transaction Approval Order;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by AMI and/or the Purchaser, as the case may be; and
3. The Transactions contemplated by the Subscription Agreement and the Transaction Approval Order have been completed to the satisfaction of the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

**KSV Restructuring Inc., in its capacity as
Proposal Trustee of and not in its personal or
corporate capacity**

Per: _____
Name: Andrew Basi
Title: Managing Director

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED _____, 2024, BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- the cash or wire transfer of immediately available funds received as the Aggregate Purchase Price;
- all cash, bank balances, funds, deposits or monies owned or held by the Companies or any other Person (including any bank or depository) on behalf of the Companies at Closing and all cash equivalents, securities and investments of the Companies at Closing;
- all accounts receivable, bills receivable, trade accounts, holdbacks, retention, book debts, insurance claims and other amounts due or accruing to the Companies and includes, for greater certainty, any and all Tax Refunds, and together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, which arise prior to Closing;
- all Tax Refunds which arise or relate to any period prior to Closing;
- all prepaid expenses or other security or collateral provided by the Companies; and
- any and all other assets or interests of the Companies other than the Retained Assets.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- any and all funded indebtedness;
- any and all promissory notes issued by the Companies;
- any and all operating and tax liabilities related to the Transferred Assets, except any Taxes arising from or in relation to the transfer of the Transferred Assets and the Transferred Liabilities;
- any and all operating liabilities to the extent they are trade claims, trade payables, utility bills or other unsecured claims, and excluding any amounts that would constitute a priority claim on or against any Retained Assets;
- any and all liabilities associated with shareholder loans to the Companies;

- any and all trade claims, trade payables or other unsecured claims;
- any and all liabilities relating to any employment agreements, severance payments and/or termination payments;
- the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court.

Transferred Contracts

The Transferred Contracts, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- none, unless otherwise agreed by the Company and the Purchaser.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Company, mean:

- the Real Property;
- all books and records of the Companies, including minute books, books of account, ledgers, general, financial and accounting records, tax returns and other records in the possession and control of the Companies or the Proposal Trustee, but in each case excludes all books and records in respect of the Transferred Assets and Transferred Liabilities, and excludes any email correspondence of the Companies (including any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;
- the Companies' bank accounts and all agreements related thereto (the Purchaser acknowledges that the balances in such accounts shall be \$0.00 at Closing);
- all regulatory and license attributes of the Companies; including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;
- letters of intent, nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements (other than any employment agreements);

- all shares of capital stock or other Equity Interests in any Affiliate of the Company;
- any intercompany indebtedness or claim owing to the Company by an Affiliate of the Company;
- all organizational documents, corporate books and records, income tax returns and the corporate seal of the Company;
- any records that are required by law to be retained by the Companies;
- all computer servers and websites;
- all office equipment;
- all tax attributes, if any, of the Companies inherent to them, including all rights related to former tax returns, operating, non-operating, and capital loss balances or carry forwards and tax audits;
- all current and prior director and officer insurance policies of the Company and all rights of any nature with respect thereto running in favor of the Company;
- any and all rights of the Company under this Subscription Agreement and the Reverse Vesting Order; and
- all rights, Losses or causes of action by or on behalf of the Companies against any Person.

Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Company, mean:

- nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements;
- all new liabilities incurred, assumed or accepted by the Company after Closing;
- any and all regulatory, environmental and government liabilities related to the Lands and Buildings & Fixtures;
- all operating and Tax liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- any Taxes and any other liabilities relating to the sale of the 125,000 voting membership units of AMI Silica LLC in accordance with the Unit Purchase Agreement;

- any Taxes arising from or in relation to the transfer of the Transferred Assets and the Transferred Liabilities;
- liabilities of the Companies for Taxes arising prior to or on the Closing Date, howsoever arising;
- any intercompany indebtedness or claim owing to an Affiliate of the Company; and
- any other obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

Retained Contracts

The Retained Contracts, being those assets to be retained by the Company through operation of the Reverse Vesting Order, mean:

- all contracts of the Company, unless otherwise agreed by the Company and the Purchaser.

**THE FOLLOWING COMPRISES SCHEDULE “C” ATTACHED TO AND FORMING
PART OF A SUBSCRIPTION AGREEMENT DATED _____, 2024,
BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.**

The Lands

All lands owned, leased or licensed by the Company and any other interest in land of the Company.

THE FOLLOWING COMPRISES SCHEDULE “D” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED _____, 2024, BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.

Contract Counterparty/Project	Cure Cost (\$CAD)
799462 Alberta Ltd.	\$40,000.00
Sierra Geological Corp.	\$40,000.00
102004623 Saskatchewan Inc.	\$40,000.00
Firebag Sand Resource	\$20,851.65

the 1990s, the number of people with a mental health problem has increased in the UK (Mental Health Act 1983).

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a vision of a new mental health system, which will be based on the following principles:

- (i) People with mental health problems should be treated as individuals, with their own needs and wishes.
- (ii) People with mental health problems should be given the opportunity to participate in decisions about their care and treatment.
- (iii) People with mental health problems should be given the opportunity to live in their own homes and communities.

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a vision of a new mental health system, which will be based on the following principles:

- (iv) People with mental health problems should be given the opportunity to live in their own homes and communities.
- (v) People with mental health problems should be given the opportunity to live in their own homes and communities.
- (vi) People with mental health problems should be given the opportunity to live in their own homes and communities.

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- (viii) People with mental health problems should be given the opportunity to live in their own homes and communities.
- (ix) People with mental health problems should be given the opportunity to live in their own homes and communities.

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a vision of a new mental health system, which will be based on the following principles:

- (x) People with mental health problems should be given the opportunity to live in their own homes and communities.
- (xi) People with mental health problems should be given the opportunity to live in their own homes and communities.
- (xii) People with mental health problems should be given the opportunity to live in their own homes and communities.

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a vision of a new mental health system, which will be based on the following principles:

- (xiii) People with mental health problems should be given the opportunity to live in their own homes and communities.
- (xiv) People with mental health problems should be given the opportunity to live in their own homes and communities.
- (xv) People with mental health problems should be given the opportunity to live in their own homes and communities.

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a vision of a new mental health system, which will be based on the following principles:

- (xvi) People with mental health problems should be given the opportunity to live in their own homes and communities.
- (xvii) People with mental health problems should be given the opportunity to live in their own homes and communities.
- (xviii) People with mental health problems should be given the opportunity to live in their own homes and communities.

UNIT PURCHASE AGREEMENT

THIS AGREEMENT is made as of _____, 2024.

BETWEEN:

ATHABASCA MINERALS INC.,
a corporation existing pursuant to the *Business Corporations Act* (Alberta)
(the "**Vendor**")

-and-

JMAC ENERGY SERVICES, LLC,
a limited liability corporation existing pursuant to the laws of the state of
Delaware (the "**Purchaser**")

RECITALS

WHEREAS:

- A. the Vendor is the registered and beneficial owner of an aggregate of 125,000 voting membership units (the "**Purchaser Units**") of AMI Silica LLC (the "**Company**");
- B. the Vendor hereby contracts and agrees with the Purchaser for the absolute sale to the Purchaser of the Purchaser Units held by the Vendor, on the terms and conditions contained in this Agreement (as defined herein); and
- C. the Vendor and the Purchaser hereby agree to take all steps as may be necessary to give effect to the transactions contemplated by this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of this Agreement and the mutual terms and conditions set forth herein, the parties agree as follows:

DEFINITIONS

- 1. In this Agreement, the following terms shall have the following respective meanings:
 - (a) "**Act**" means the *Income Tax Act* (Canada);
 - (b) "**Agreement**" means this agreement and any amendments hereof;
 - (c) "**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
 - (d) "**Closing**" means the completion of the Transactions pursuant to the Subscription Agreement;

- (e) "**Closing Date**" the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 5 of the Subscription Agreement (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Vendor and JMAC Resources Ltd.;
- (f) "**Court**" means the Court of King's Bench of Alberta;
- (g) "**Proposal Trustee**" means KSV Restructuring Inc.;
- (h) "**Purchase Price**" has the meaning ascribed to such term in Section 3 hereof;
- (i) "**Purchaser Units**" has the meaning ascribed to such term in the Recitals;
- (j) "**Subscription Agreement**" means the subscription agreement dated _____, 2024 between the Vendor and JMAC Resources Ltd.;
- (k) "**Tax**" means any federal, provincial, state, county, municipal, local, foreign and other income, profits, gains, net worth, sales, use, *ad valorem*, gross receipts, business and occupation, estimated, stamp, custom duties, occupation, property (real or personal), franchise, capital stock, license, excise, value added, payroll, employees, income withholding, social security, workers compensation levy, employment insurance or other tax and any penalty, fine, addition to tax and interest on the foregoing; and
- (l) "**Transactions**" means the transactions as set forth in the Subscription Agreement.

PURCHASE AND SALE OF THE PURCHASER UNITS

- 2. Subject to the terms of this Agreement, the Vendor hereby sells, assigns and transfers to the Purchaser, and the Purchaser hereby purchases from the Vendor, effective as of the Closing Date, all right, title and interest of the Vendor in and to all of the Purchaser Units held by the Vendor.

PURCHASE PRICE

- 3. The aggregate purchase price for the Purchaser Units is \$11,000,000 (the "**Purchase Price**"). Upon receipt by the Purchaser of the unit certificate representing the Purchaser Units duly endorsed for transfer and accompanied by a stock transfer power of attorney, or satisfactory evidence of registration of the Purchaser Units in the name of the Purchaser, the Purchaser shall pay the Purchase Price, as agreed upon pursuant to this Agreement, to the Vendor.
- 4. The Purchase Price shall be paid by the Purchaser to the Proposal Trustee, on behalf of the Company, to be paid in cash or wire transfer of immediately available funds, as of the Closing Date.

COVENANTS, REPRESENTATIONS AND WARRANTIES

5. The Vendor covenants, represents and warrants the following:
 - (a) the Vendor is a corporation duly incorporated and is organized and validly existing under the *Business Corporations Act* (Alberta) (the "**ABCA**") and has the full requisite corporate power, capacity and authority to execute and deliver this Agreement and to perform its obligations hereunder and to convey to the Purchaser the Purchaser Units; and
 - (b) this Agreement has been duly authorized, executed and delivered by the Vendor and is a legal, valid and binding obligation of the Vendor, enforceable against the Vendor by the Purchaser in accordance with its terms, subject to bankruptcy, insolvency and similar laws relating to or affecting creditors' rights generally and to general principles of equity.

6. The Purchaser covenants, represents and warrants the following:
 - (a) the Purchaser is a limited liability corporation existing under the laws of the State of Delaware (the "**Delaware Act**") and has the full requisite corporate power, capacity and authority to execute and deliver this Agreement and to perform its obligations hereunder;
 - (b) this Agreement has been duly authorized, executed and delivered by the Purchaser and is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser by the Vendor in accordance with its terms, subject to bankruptcy, insolvency and similar laws relating to or affecting creditors' rights generally and to general principles of equity;
 - (c) the execution of this Agreement and the consummation of the transactions contemplated hereby satisfy and comply with all relevant provisions of the Delaware Act and no other corporate proceedings on the part of the Purchaser are necessary to approve or adopt this Agreement or undertake the transactions contemplated hereby; and
 - (d) the covenants, representations, warranties and agreements contained in this Agreement shall not merge with the conveyance of the Purchaser Units into the name of the Purchaser.

MUTUAL CONDITIONS PRECEDENT

7. The obligation of the Vendor to sell, assign and transfer to the Purchaser, and of the Purchaser to purchase from the Vendor all right, title and interest of the Vendor in and to all of the Purchaser Units held by the Vendor are subject to the following conditions precedent:
 - (a) that the Closing of the Transactions have occurred pursuant to the terms and conditions set forth in the Subscription Agreement; and

- (b) the Reverse Vesting Order (as defined in the Subscription Agreement) being obtained.

HEADINGS AND RECITALS

8. The headings in this Agreement are for reference purposes and shall not affect in any way the meaning and interpretation of this Agreement.
9. The Recitals to this Agreement are true and correct and form an integral part of this Agreement.

SURVIVAL OF REPRESENTATIONS AND WARRANTIES

10. The representations and warranties set out in Sections 5 and 6 of this Agreement shall survive the closing of the purchase and sale of the Purchaser Units provided for herein and shall continue in full force and effect for the benefit of the party in whose favour they are expressed to be made, and be binding upon the party by whom they are made.

TAX

11. Except as otherwise provided in this Agreement, the Vendor shall be responsible and liable for any income tax arising from or attributable to the sale of the Purchaser Units to the Purchaser under this Agreement. The Purchaser will be solely responsible in ensuring that the Vendor receives the full Purchase Price without any withholding or deduction, and the Vendor shall have no responsibility whatsoever with respect to same.
12. Notwithstanding any other provision of this Agreement, the Purchaser and the Vendor agree that all payments by the Purchaser to the Vendor under this Agreement shall be made free and clear of and without any deduction for or on account of any Taxes, except to the extent that the Purchaser is required by law to make payment subject to any deduction or withholding for or on account of Tax (a "**Tax Deduction**"). If any Tax Deduction must be effected from any amounts payable or paid by the Purchaser under this Agreement, the Purchaser shall pay such additional amounts as may be necessary to ensure that the Vendor receives (after making any Tax Deduction) a net amount equal to the full amount which it would have received had payment not been made subject to a Tax Deduction.

ADJUSTMENTS

13. All profits and receipts in respect of the Purchaser Units and all costs, expenses and outgoings in respect thereof up to the Closing Date shall belong to, or, as the case may be, be paid by and discharged by the Vendor. From and after the Closing Date all profits and receipts in respect of the Purchaser Units and all costs, expenses and outgoings in respect thereof shall belong to, or, as the case may be, be paid by and discharged by the Purchaser.

TRUST AFTER CLOSING DATE

14. To the extent that the Purchaser Units are not fully transferred and conveyed to the Purchaser on the Closing Date, the Vendor will hold the Purchaser Units and/or any interest

therein as bare trustee and agent for the Purchaser and will not deal with the Purchaser Units in any way whatsoever except at the discretion and prior direction of the Purchaser.

AMENDMENT

15. This Agreement may not be amended, modified or varied except by an instrument in writing signed by the parties.

APPLICABLE LAW

16. This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom with respect to all matters arising hereby.

SUCCESSORS AND ASSIGNS

17. This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and their respective heirs, executors, administrators, successors and permitted assigns. Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party.

FURTHER ASSURANCES

18. The parties to this Agreement shall, without further consideration, do and perform all such further acts and execute all such further deeds and documents as are reasonably required in order to give effect to this Agreement and the transactions contemplated hereby.

ENTIRE AGREEMENT

19. This Agreement, together with any agreement and other documents to be delivered in conjunction herewith, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

TIME OF ESSENCE

20. Time shall be of the essence in this Agreement.

CURRENCY

21. Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "\$" refers to Canadian dollars.

EXECUTION

22. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall together be deemed to constitute one agreement. The Vendor and the Purchaser agree that execution and delivery of this Agreement by industry standard electronic signature software and/or by exchanging PDF signatures shall have the same legal force and effect as the exchange of original signatures and that in any proceeding arising under or relating to this Agreement, each party hereby waives any right to raise any defense or waiver based upon execution of this Agreement by means of such electronic signatures or maintenance of the executed agreement electronically.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement the date first above written.

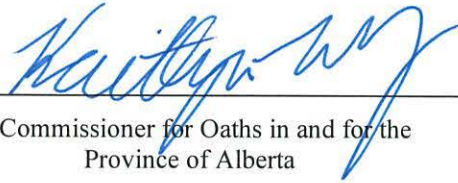
ATHABASCA MINERALS INC.

Per: _____
Name:
Title:

JMAC ENERGY SERVICES LLC

Per: _____
Name: Jon McCreary
Title: Director

This is Exhibit "D"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 20th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

SUBSCRIPTION AGREEMENT

BETWEEN:

ATHABASCA MINERALS INC.

- and -

BADGER MINING CORPORATION OR ITS AFFILIATE

Dated:

January 31, 2024

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Excluded Contracts
Retained Assets
Retained Liabilities
Retained Contracts*

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT made as of January 31, 2024.

BETWEEN:

ATHABASCA MINERALS INC. (the “**Company**”)

- and -

BADGER MINING CORPORATION OR ITS AFFILIATE
(the “**Purchaser**”)

WHEREAS:

- A. The Company is an Alberta-based, publicly listed Alberta company with its Common Shares (as defined herein) listed on the TSX Venture Exchange under the symbol “AMI”;
- B. On November 13, 2023, the Company, TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively, the “**Companies**”) each filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended with the Office of the Superintendent of Bankruptcy (the “**Proposal Proceedings**”);
- C. KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”);
- D. On December 12, 2023, the Companies obtained an order from the Court of King’s Bench of Alberta (the “**Court**”) in the Judicial District of Calgary Alberta, which, among other things, approved the procedure for the sales and investment solicitation process of the Companies (the “**SISP Order**”);
- E. Further to the SISP Order, the Company and the Purchaser entered into negotiations for the subscription for and purchase of the Purchased Shares (as defined herein) by the Purchaser, to be completed through a series of transactions between the Company and the Purchaser to proceed by way of the Reverse Vesting Order (as defined herein);
- F. Subject to the conditions set forth in this Subscription Agreement and the issuance by the Court (as defined herein) of the Reverse Vesting Order (as defined herein), the Company wishes to issue to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- G. The Company shall effect a reorganization pursuant to the statutory procedure set out in Section 192 of the *Business Corporations Act* (Alberta) (“**ABCA**”), or Section 59(4) of the BIA (as defined below), as applicable, whereby, among other things, all existing Common Shares (as defined herein) issued and outstanding immediately prior to the Closing Date (as defined herein) shall be deemed to be exchanged by the registered holders thereof,

without any act or formality on their part, for consideration in the form of ResidualCo Shares (as defined herein) on the basis of one ResidualCo Share being issued for each Common Share then outstanding, following which the Common Shares so transferred, and all other Equity Interests, shall be cancelled, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Subscription Agreement (the “**Reorganization**”);

- H. At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company; and
- I. The Transactions (as defined herein) contemplated by this Subscription Agreement are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Subscription Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

- (a) “**ABCA**” has the meaning ascribed thereto in the Recitals;
- (b) “**Affiliate**” means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term “**control**” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;
- (c) “**Applicable Law**” means, in relation to any Person, property, transaction, event or other circumstance, any transnational, foreign or domestic, federal, provincial, territorial, state, local or municipal (or any subdivision of them) law (including common law and civil law), constitution, treaty, statute, rule, regulation, code, ordinance, principle of common law or equity rule, by-law (zoning or otherwise), official directive, order of Governmental Authorities (whether administrative, legislative, executive or otherwise, including any Securities Laws or requirements of stock exchanges and any consent decree or administrative order) or other requirement having the force of law, including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any Permit, licence or other governmental

or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;

- (d) **“Articles of Reorganization”** means the articles of reorganization of the Company in respect of the Reorganization required under Section 192(4) of the ABCA to be sent to the Registrar after the Reverse Vesting Order has been granted, giving effect to the Reorganization;
- (e) **“ASC Revocation Order”** means an Order or Orders of the Alberta Securities Commission, on its own behalf and to the extent necessary, on behalf of the Ontario Securities Commission and any other applicable securities regulator, authorizing the Company to cease to be a reporting issuer, effective on Closing;
- (f) **“Badger Credit”** means the amount of \$50,000 to be credited towards the Purchase Price as provided for in paragraph 15 of the SISP Order;
- (g) **“BIA”** means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time;
- (h) **“Buildings and Fixtures”** means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the land or lands owned or controlled by the Companies or any of them;
- (i) **“Business”** means the business and operations carried on by the Companies as at the date of this Subscription Agreement;
- (j) **“Business Day”** means a day other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta or the State of Wisconsin;
- (k) **“Canadian Securities Laws”** means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;
- (l) **“Certificate of Reorganization”** means the certificate of reorganization to be issued by the Registrar for the Reorganization pursuant to Section 192(5) of the ABCA in respect of Articles of Reorganization;
- (m) **“Claim”** means any claim, action, cause of action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (n) **“Closing”** means the completion of the Transactions pursuant to this Subscription Agreement;

- (o) **“Closing Date”** the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 4 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (p) **“Closing Place”** means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (q) **“Closing Sequence”** has the meaning ascribed thereto in Section 3.3;
- (r) **“Common Shares”** means common shares in the capital of the Company;
- (s) **“Companies”** has the meaning ascribed thereto in the Recitals;
- (t) **“Company Shareholders”** means the registered holders of issued and outstanding Common Shares as of close of business on the day prior to the Closing Date;
- (u) **“Confidential Materials”** has the meaning ascribed thereto in Section 8.13;
- (v) **“Confidentiality Agreement”** means the non-disclosure and confidentiality agreement between the Companies and Badger Mining Corporation, dated December 19, 2023;
- (w) **“Court”** has the meaning ascribed thereto in the Recitals;
- (x) **“Cure Costs”** means amounts described in Schedule “C” hereto in respect of monetary defaults owing in connection with the Retained Contracts;
- (y) **“Deposit”** has the meaning ascribed thereto in Section 2.4;
- (z) **“Disclaimer Liability”** has the meaning ascribed thereto in Section 6.14;
- (aa) **“Effective Time”** means 12:01 a.m. on the Closing Date;
- (bb) **“Employees”** has the meaning ascribed thereto in Section 6.7;
- (cc) **“Encumbrances”** means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), 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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order, the Reverse Vesting Order or any other Order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of

Alberta, British Columbia or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system;

- (dd) **“Escrow Amount”** has the meaning ascribed thereto in Section 6.14;
- (ee) **“Equity Interests”** includes, in respect of the Company, (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; and (iii) any warrants, options, convertible, exchangeable or exercisable securities (whether convertible, non-convertible, voting or nonvoting, whether preferred, common or otherwise), subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing;
- (ff) **“Excluded Contracts”** means those contracts, agreements, and commitments described in Schedule “B” hereto which shall be disclaimed or terminated by any one of the Companies prior to Closing;
- (gg) **“Governmental Authority”** means any federal, national, provincial, territorial, state, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (hh) **“GST”** means the goods and services tax payable pursuant to the GST Legislation;
- (ii) **“GST Legislation”** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (jj) **“Interim Period”** means the period from the date that this Subscription Agreement is entered into by the Parties through to Closing;
- (kk) **“JMAC”** means JMAC Energy Services LLC, a limited liability company subsisting under the laws of the State of Delaware;
- (ll) **“Losses”** means all losses, costs, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (mm) **“Material Adverse Effect”** means any fact or state of facts, circumstance, change, effect, occurrence or event which:
 - (i) either individually is or in the aggregate are, or individually or in the aggregate could reasonably be expected to be, material and adverse to the

Business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), capitalization or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole; or

- (ii) either individually or in the aggregate prevents, or individually or in the aggregate could reasonably be expected to prevent, the completion of the Transactions or the Company from performing its obligations under this Subscription Agreement in any material respect by the Outside Date; provided, however, that the bringing or filing of a motion, action, objection or other litigation by JMAC seeking to prohibit the closing of the Transactions shall not in and of itself constitute a Material Adverse Effect;
- (nn) **“Order”** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;
- (oo) **“Outside Date”** means March 30, 2024, or such other date as may be agreed upon between the Parties in writing;
- (pp) **“Parties”** means, collectively, all of the parties to this Subscription Agreement; and **“Party”** means a party to this Subscription Agreement;
- (qq) **“Permits”** means all authorizations, permits, decisions, determinations, judgments, directions, entitlements, licenses, orders, consents, approvals, notices, correspondence, directives, exemptions, registrations, rulings, advance rulings and certifications whether now existing or hereafter issued or obtained or required to be issued or obtained and which are or may be given or issued by any Governmental Authority;
- (rr) **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (ss) **“Proposal Proceedings”** has the meaning ascribed thereto in the Recitals;
- (tt) **“Proposal Trustee”** has the meaning ascribed thereto in the Recitals;
- (uu) **“Proposal Trustee’s Certificate”** means the certificate, substantially in the form attached as Schedule “A” to the Reverse Vesting Order, to be delivered by the Proposal Trustee in accordance with Section 4.5, and thereafter filed by the Proposal Trustee with the Court;
- (vv) **“Purchase Price”** has the meaning set out in Section 2.2;
- (ww) **“Purchase Price Balance”** has the meaning set out in Section 2.2;
- (xx) **“Purchased Shares”** means 1,000 Common Shares subscribed for by the Purchaser in accordance with the Reverse Vesting Order and this Subscription

Agreement, representing all of the issued and outstanding Common Shares of the Company at the time of issuance;

- (yy) **“Real Property”** means collectively all land or lands owned by or controlled by the Companies or any of them and all other Buildings and Fixtures;
- (zz) **“Recitals”** means the preamble and the recitals to this Subscription Agreement;
- (aaa) **“Registrar”** means the Registrar of Corporations or a Deputy Registrar of Corporations appointed pursuant to Section 263 of the ABCA;
- (bbb) **“Reorganization”** has the meaning ascribed thereto in the Recitals;
- (ccc) **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (ddd) **“ResidualCo”** means a corporation to be formed in advance of Closing, for the purposes of (i) accepting the transfer of all Transferred Assets and Transferred Liabilities, as part of the Closing Sequence as further set out in Section 3.3 of this Subscription Agreement, and (ii) being added as an applicant in the Proposal Proceedings upon the completion of the Transactions contemplated herein;
- (eee) **“ResidualCo Notes”** means one or more non-interest bearing promissory notes issued by the Company and/or Subsidiaries in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement with an aggregate principal amount equal to the Transferred Liabilities less the value of the Transferred Assets;
- (fff) **“ResidualCo Shares”** means the common shares of ResidualCo;
- (ggg) **“Retained Assets”** means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts, which shall be retained by the Company;
- (hhh) **“Retained Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto which shall be retained by the Company;
- (iii) **“Retained Employees”** has the meaning ascribed thereto in Section 6.7;
- (jjj) **“Retained Liabilities”** means those liabilities described in Schedule “B” hereto which shall be retained by the Company;
- (kkk) **“Reverse Vesting Order”** means an Order of the Court, in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the cancellation

of all of the issued and outstanding Equity Interests, other than the Purchased Shares); (b) authorizes and directs the Company to file the Articles of Reorganization with the Registrar; and (c) upon the delivery of a copy of the Proposal Trustee's Certificate to the Purchaser, among other things: (i) transfers all of the Companies' right, title and interest in and to the Transferred Assets to ResidualCo; (ii) transfers all Transferred Liabilities to ResidualCo; (iii) releases and discharges the Companies from all of the Transferred Liabilities; and (iv) releases the Companies from the purview of the Proposal Proceedings and adds ResidualCo as an entity in the Proposal Proceedings;

(lll) **"Securities Laws"** means collectively, the Canadian Securities Laws and U.S. Securities Laws;

(mmm) **"SISP Order"** has the meaning ascribed thereto in the Recitals;

(nnn) **"Subscription Agreement"** means this subscription agreement between the Company and the Purchaser, including all Recitals and schedules attached hereto, and **"this Agreement"**, **"this Subscription Agreement"** **"herein"**, **"hereto"**, **"hereof"** and similar expressions mean and refer to this subscription agreement;

(ooo) **"Subsidiaries"** means any subsidiary of the Company that has issued a ResidualCo Note in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement;

(ppp) **"Target Closing Date"** means March 8, 2024, or such other date as may be agreed upon between the Parties in writing;

(qqq) **"Taxes"** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, whether disputed or not, and any liability for the payment of any such amounts as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, amounts or refunds owing in respect of any form of COVID-19 economic support, health insurance and governmental pension plan premiums or contributions;

(rrr) **"Tax Refunds"** means all refunds in respect of Taxes to which the Companies are entitled in respect of the period prior to Closing;

(sss) **"Tax Returns"** means all reports, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed

in connection with any Taxes, including any amendment thereof, and whether in tangible or electronic form;

- (ttt) **“Terminated Employee Claims”** has the meaning ascribed thereto in Section 6.7;
- (uuu) **“Third Party”** means any individual or entity other than the Companies and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (vvv) **“Transactions”** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement or the Reverse Vesting Order;
- (www) **“Transfer Agent”** means TSX Trust Company;
- (xxx) **“Transferred Assets”** means those assets, if any, described in Schedule “B” hereto which shall be transferred the Company, or the Companies, as applicable, to ResidualCo;
- (yyy) **“Transferred Liabilities”** means those liabilities described in Schedule “B” hereto which shall be transferred by the Company, or Companies, as applicable, to ResidualCo; and
- (zzz) **“U.S. Securities Laws”** means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting all genders.

1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

- Schedule “A” – Form of Reverse Vesting Order
- Schedule “B” – Transferred Assets; Transferred Liabilities; Excluded Contracts; Retained Assets; Retained Liabilities and Retained Contracts
- Schedule “C” – Cure Costs

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

1.6 Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

1.7 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law or the Reverse Vesting Order, the term or condition of such Applicable Law or the Reverse Vesting Order, as applicable, shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.8 Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, in consideration for the Purchase Price the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of and from all Claims, Losses and Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is: (i) \$13,000,000, (ii) the amount of the Expense Reimbursement (as defined in Appendix A to the SISP Order), (iii) any amounts payable pursuant to Section 6.14 (together with Sections 2.2(i) and 2.2(ii) hereof, the “**Purchase Price**”), and (iv) the value of the Retained Liabilities. The Purchase Price shall be satisfied by: (i) the retention of the Deposit by the Company, (ii) application of the Badger Credit, and (iii) payment in cash by the Purchaser to the Company of an amount equal to the balance of the Purchase Price after the application of Sections 2.2(i) and 2.2(ii) hereof (the “**Purchase Price Balance**”).

2.3 Form of Payment

All payments to be made pursuant to this Subscription Agreement shall be in Canadian funds and shall be made by wire transfer.

2.4 Deposit

The Parties acknowledge that a deposit in the amount of \$1,320,000, representing 10% of the Purchase Price, has already been delivered by the Purchaser to the Proposal Trustee pending execution of this Subscription Agreement, and shall be released only in accordance with the provisions of this Section 2.4 (the “**Deposit**”). Until release, the Deposit shall be held by the Proposal Trustee in a non-interest-bearing trust account. In the event:

- (a) Closing occurs, the Deposit shall be paid to the Company at Closing as partial payment of the Purchase Price;
- (b) Closing does not occur by the Outside Date:
 - (i) as a result of a breach of this Subscription Agreement by the Purchaser, and (A) the conditions set out in Sections 4.1 and 4.2 have been satisfied or waived, and (B) the Company is not in breach of any obligations hereunder, the Deposit shall be forfeited to the Company for the account of the Company;
 - (ii) for any reason other than as set out in Section 2.4(b), the Deposit shall be returned to the Purchaser for the account of the Purchaser.

2.5 Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered as a result of Closing not occurring and the Company shall retain the Deposit pursuant to Section 2.4(b)(i) if such circumstances described therein arise. The Deposit shall constitute liquidated damages to the Company and not a penalty of Closing not occurring. For greater certainty, retention of the Deposit shall be the sole and exclusive remedy of the Company.

ARTICLE 3 CLOSING

3.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained prior to the Outside Date.

3.2 Effectiveness of Reverse Vesting Order

Subject to the other terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

3.3 Closing

Commencing at the Effective Time, each of the events set out below shall (and shall be deemed to) occur, except as otherwise expressly noted, sequentially in the following order, without any further authorization, act or formality (the “**Closing Sequence**”):

- (a) The Purchaser shall deliver the Purchase Price (for the subscription and purchase of the Purchased Shares by the Company) to the Proposal Trustee, on behalf of and for the benefit of the Company, as follows: (1) the delivery of the written direction as contemplated in Section 3.4(b)(i); and (2) the payment of the Purchase Price Balance to be paid in cash by wire transfer;
- (b) The Purchaser shall deliver the Escrow Amount, if applicable, pursuant to Section 6.14, to the Proposal Trustee;
- (c) The Terminated Employees shall be terminated by the Company or Companies, as applicable;
- (d) All legal and beneficial right, title and interest of the Companies in and to the Transferred Assets (which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Encumbrances attached to the Transferred Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;
- (e) Concurrently with Step 3.3(d) above, all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;

- (f) Concurrently with Step 3.3(e) above, the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
- (g) Each issued and outstanding Common Share held by a Company Shareholder immediately prior to the Closing Date shall be exchanged without any further act or formality thereof for consideration in the form of one ResidualCo Share for each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;
- (h) Each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order;
- (i) The Company shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with Section 2.1, free and clear of and from any and all Claims, Losses and Encumbrances;
- (j) The Retained Assets will be retained by the Company in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- (k) The Company shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by the Company to the Subsidiaries) using the Purchase Price. If the aggregate principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and the Company and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price then any remaining Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);

- (l) All directors of the Company immediately prior to the Closing Date shall be deemed to resign and Camille LeRouge, Michael C. Hess, Robert L. Brooks, and Cody Wickersheim shall be deemed to be appointed as directors of the Company;
- (m) The Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the SISP Order and all other orders of the Court granted in relation to the Proposal Proceedings;
- (n) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;
- (o) Pursuant to the Reverse Vesting Order or further Order of the Court, the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and
- (p) The Company shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which the Company is a reporting issuer.

3.4 Closing Deliveries

- (a) On the Closing Date, the Company shall deliver or cause to be delivered to the Purchaser:
 - (i) a true copy of the Reverse Vesting Order, as granted by the Court;
 - (ii) a true copy of the Certificate of Reorganization;
 - (iii) a true copy of the TSX Venture Exchange bulletin confirming the delisting of the Common Shares;
 - (iv) a true copy of the ASC Revocation Order;
 - (v) a true copy of a joint direction of the Company and ResidualCo to the Transfer Agent directing the Transfer Agent to (A) transfer all Common Shares held by registered Company Shareholders as at the close of business on the Business Day prior to the Closing Date to ResidualCo, (B) issue one ResidualCo Share for each Common Share formerly held by each registered Company Shareholder immediately prior to the Closing Date, (C) cancel all of the formerly held issued and outstanding Common Shares and (D) issue the Purchased Shares to the Purchaser and provide evidence of same;
 - (vi) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections 4.2(a) and 4.2(c) have been satisfied; and

- (vii) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions provided for in this Subscription Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.
- (b) On the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company:
 - (i) a written direction to the Company to retain the Deposit and apply the Badger Credit as partial payment of the Purchase Price;
 - (ii) the Purchase Price Balance, and the Escrow Amount, if applicable, shall be paid to the Proposal Trustee on behalf of the Company;
 - (iii) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 4.3(a) and 4.3(c) have been satisfied; and
 - (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions.

ARTICLE 4 CONDITIONS OF CLOSING

4.1 Mutual Conditions

The respective obligations of the Purchaser and Company to complete the Transactions are subject to the satisfaction of, or compliance with, at or prior to the Closing Date, the following conditions precedent:

- (a) the Reverse Vesting Order shall have been granted and entered by the Court and shall not have been vacated, set aside, or stayed, and all conditions to the effectiveness of the Reverse Vesting Order shall have been satisfied or waived in accordance with the terms thereof, or will be satisfied and waived in accordance with the Closing;
- (b) on or before Closing, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Subscription Agreement; or (iii) the effect of varying, modifying or amending the Reverse Vesting Order without the consent of the Purchaser;
- (c) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing;

- (d) ResidualCo shall be incorporated; and
- (e) the Court shall not have granted or entered an order which confirms, orders, or otherwise states that JMAC is entitled to exercise its contractual right of first refusal in respect of the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of the State of North Dakota.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 4.1 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections 2.4, 8.12 and 8.15) shall automatically terminate without any further action on the part of either the Company or the Purchaser.

4.2 Purchaser's Conditions

The obligations of the Purchaser to purchase the Purchased Shares and complete the Transactions are subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true and correct in all material respects when made and shall remain true and correct as of the Closing Date or if made as of a date specified therein, as of such date;
- (b) the Company shall have executed and delivered or caused to be executed and delivered to the Purchaser at the Closing all documents contemplated by Section 3.4(a);
- (c) all covenants, obligations or agreements of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (d) the Company shall not have issued any new Common Shares or other securities of the Company, except as provided for in the Reverse Vesting Order and this Subscription Agreement; and
- (e) there shall not have been any Material Adverse Effect during the Interim Period.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.4, 8.12 and 8.15.

4.3 Company's Conditions

The obligations of the Company to sell the Purchased Shares and complete the Transactions are subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true and correct in all material respects when made and shall remain true and correct as of the Closing Date or if made as of a date specified therein, as of such date;
- (b) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 3.4(b);
- (c) all covenants, obligations or agreements of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (d) all amounts to be paid by the Purchaser to the Company at Closing, including the Purchase Price Balance, and the Escrow Amount, if applicable, shall have been paid to the Proposal Trustee, on behalf of the Company, in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.4, 8.12 and 8.15.

4.4 Efforts to Fulfil Conditions Precedent

The Purchaser and the Company shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

4.5 Proposal Trustee's Certificate

When the conditions to Closing set out in Sections 4.1, 4.2 and 4.3 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company, the Purchaser or their respective counsel will each deliver to the Proposal Trustee confirmation in writing that such conditions of Closing, as applicable, have been satisfied and/or waived and that the Parties are prepared for the Closing Sequence to commence (the “**Conditions Certificates**”). Upon receipt of the Conditions Certificates and the receipt of the Purchase Price Balance and the Escrow Amount, if applicable, the Proposal Trustee shall: (i) issue forthwith its Proposal Trustee's Certificate concurrently to the Company and counsel to the Purchaser, at which time the Closing will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Proposal Trustee's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and counsel to the Purchaser). In the case of: (i) and (ii) above, the Proposal Trustee will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Proposal Trustee will have no liability to the Company or the Purchaser as a result of filing the Proposal Trustee's Certificate.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Company

The Company makes only the following representations to the Purchaser and agrees that the Purchaser is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) Authorization, Validity and Binding Effect. Subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions and this Subscription Agreement has been duly executed and the Company and constitutes a legal, valid and binding obligation of Company enforceable against it in accordance with its terms;
- (b) Tax Matters.
 - (i) The Company has made available to Purchaser for review originals or true and complete copies of: (A) material portions of income tax audit reports, statements of deficiencies, closing or other agreements or correspondence concerning assessments, reassessments or audits pursuant to which a Governmental Authority has proposed amendments to previously filed Tax Returns received by or on behalf of the Companies relating to Taxes; (B) any material federal, provincial, state, local or foreign income or franchise Tax Returns for the Companies for the Tax years ending 2021 and 2022; and (C) all material written communications to or from any Governmental Authority relating to the Taxes of the Companies over such period have been made available to Purchaser; and
 - (ii) The Company has or will furnish Purchaser with originals or copies of all elections, designations or similar filings relating to Taxes of the Companies and any agreement or other arrangement in respect of Taxes or Tax Returns of the Companies that have effect for any period ending after the Closing Date;
- (c) Permits. Company has provided to Purchaser copies of all Permits relating to the assets, Business or operations of Companies. The Company has not been advised of any event occurring or circumstance existing which (with notice or lapse of time or both) may constitute or result in a violation of any such Permit except where such violation would not have a Material Adverse Effect. To the knowledge of the Company, no proceedings are pending or threatened, which could result in the revocation or limitation of any such Permit, and all steps have been taken and filings made on a timely basis with respect to each such Permit and its renewal, except where the failure to take such steps and make such filings would not have a Material Adverse Effect;
- (d) Books and Records. The Company has provided to Purchaser copies in their entirety of the financial books, records and accounts of Company; and

- (e) Employee Payroll Obligations. All Employee payroll and other statutory remittance obligations, including any amounts owing under the *Income Tax Act* (Canada), the *Canada Pension Plan* (Canada), and the *Employment Insurance Act* (Canada), are current.

5.2 Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) Organization. The Purchaser is a corporation registered and existing under the Applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on the Business as it is now being conducted;
- (b) Qualification. The Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) Authorization. The execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) No Conflict. The execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) Validity and Binding Effect. This Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms subject only to (i) obtaining the ASC Revocation Order and (ii) the granting of the Reverse Vesting Order;
- (f) Legal Effect. Other than (i) obtaining the ASC Revocation Order, and (ii) the granting of the Reverse Vesting Order, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement;
- (g) Funds Available. The Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be

incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;

(h) Securities Law Matters.

- (i) The Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;
 - (ii) The Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Company;
 - (iii) The Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;
 - (iv) The Purchaser represents that it is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, and/or that it meets one of the other exemptions under Canadian Securities Laws;
 - (v) The Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian Securities Laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser's ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian Securities Laws; and
 - (vi) The Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment;
- (i) Compliance. The Purchaser is in compliance with all the requirements of all Governmental Authorities; and

- (j) Investment Canada Act. The Purchaser is a WTO Investor or a Trade Agreement Investor for the purposes of the Investment Canada Act RSC, 1985, c. 28 (1st Supp).

5.3 Limitation of Representations

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section 5.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an “as is, where is” basis as they exist as of Closing;
- (b) except as expressly stated in Section 5.1, none of the Company or ResidualCo or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the Business of the Company, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;
- (c) except for the representations and warranties of the Company set forth in Section 5.1, none of the Company, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, Permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;
- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 5.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Subscription Agreement, and except for fraud on the part of the Company, the Purchaser hereby unconditionally and

irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Company, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 5.1. Except as set forth above in this Section 5.3(f), such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and

- (g) the provisions of Section 5.3 shall survive and not merge on Closing.

ARTICLE 6 COVENANTS

6.1 Incorporation of ResidualCo

The Company shall coordinate the incorporation of ResidualCo before the Closing Date, which at incorporation shall have no issued and outstanding shares.

6.2 Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Target Closing Date.

6.3 Application for Reverse Vesting Order

As soon as practicable after the execution of this Subscription Agreement, the Company shall file with the Court a motion for the issuance of the Reverse Vesting Order. The Company shall diligently use their commercially reasonable efforts to seek the issuance and entry of the Reverse Vesting Order and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of the Reverse Vesting Order.

6.4 Court Materials

The Company shall provide the Purchaser and its Representatives with a reasonable opportunity to review and comment upon drafts of all material to be filed by the Company and its counsel with the Court in connection with the Transactions, prior to the service and filing of that material. The Company will ensure that all material filed with the Court in connection with the Transactions is consistent in all material respects with the terms of this Subscription Agreement. In addition, the Company will also provide legal counsel to the Purchaser on a timely basis with copies of any notice or other documents served on the Company or its legal counsel in respect of the application for the Reverse Vesting Order or any appeal therefrom.

6.5 Delisting from TSX

As soon as practicable after the execution of this Subscription Agreement, each of the Company and the Purchaser agree to cooperate with each other in taking, or causing to be taken, all actions necessary to delist the Common Shares from the TSX Venture Exchange.

6.6 ASC Revocation Order

As soon as practicable after the execution of this Subscription Agreement, the Company shall diligently use its commercially reasonable efforts to obtain the ASC Revocation Order.

6.7 Employee Matters

- (a) The Parties acknowledge that the Companies have provided the Purchaser with an up-to-date list of the names, positions and calculation of all severance or change-of-control entitlements of all of the Companies' employees, consultants and contractors fulfilling an employee-like role (collectively, "**Employees**") prior to the date hereof.
- (b) The Purchaser and Company agree to use commercially reasonable efforts to negotiate, in good faith: (a) the retention of the Employees by the Purchaser or, alternatively, (b) transition services agreements or new employment agreements with the Employees.
- (c) On or before Closing, the Purchaser shall designate in writing which Employees, if any, shall be retained by the Companies (the "**Retained Employees**"). If an employee is designated as a Retained Employee, the Purchaser acknowledges and agrees that:
 - (i) the Companies shall retain the severance or termination obligations of the Retained Employees, if any, on or after Closing; and
 - (ii) the Companies shall retain the obligation to pay any accrued but unpaid payroll and remit any unremitted employment related statutory obligations, if any, owing to the Retained Employees for the current payroll period.
- (d) If an Employee is not designated by the Purchaser as a Retained Employee, the Companies shall terminate such Employees (collectively the "**Terminated Employees**") immediately prior to or at Closing, and all liabilities owing to any such Terminated Employee in respect of such termination, including all claims of the Terminated Employee in the amount equal to the payment that such Terminated Employees would have received under the BIA, and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements of any kind (the "**Terminated Employee Claims**"), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the Closing Sequence, shall be discharged as against the Company and transferred to the ResidualCo.

- (e) The Parties acknowledge and agree that all amounts owing to Employees, if any, arising from any change-of-control obligation, policy, or other entitlement, shall be a Transferred Liability, regardless of whether any such employee: (a) is terminated by the Companies, (b) is designated as a Retained Employee, or (c) enters into a new employment agreement or transition services agreement with the Purchaser or the Companies, as applicable.
- (f) Except as provided for in this Section 6.7, the Company shall not make any change in the salary, benefits or other forms of compensation payable to the Employees and shall not hire any additional Employees during the Interim Period; and
- (g) The Purchaser acknowledges and agrees that the information received pursuant to this Section 6.7 is “Confidential Information” as such term is defined in the Confidentiality Agreement and the Purchaser shall only be permitted to hold and use such information in compliance with the terms thereof.

6.8 Maintenance of Retained Assets and Continuation of the Business

During the Interim Period, the Companies shall use reasonable commercial efforts, subject to the SISP Order and the Reverse Vesting Order:

- (a) to continue and maintain the Business in substantially the same manner as conducted on the date of this Subscription Agreement;
- (b) to maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities;
- (c) to keep in full force and effect all existing insurance policies and give to the Purchaser notice of or present any claim made under any such insurance policies; and
- (d) pay or cause to be paid all costs and expenses relating to the Retained Assets which become due during the Interim Period,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution or file any undertaking with a Governmental Authority with respect to any liability management program or other program.

6.9 Consent of the Purchaser

Notwithstanding Section 6.8, the Companies shall not, during the Interim Period, without the written consent of the Purchaser acting reasonably:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets or the Business, except in respect of amounts which the Company has committed to expend in connection with the Prosvita Sand Project

and the Montney In-Basin Project, which amounts shall not exceed \$50,000 and \$75,000, respectively, without the Purchaser's prior written consent;

- (b) surrender, abandon, or disclaim any of the Retained Assets;
- (c) materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets;
- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof; or
- (e) take or refuse to take any action which could affect or otherwise alter the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of the State of North Dakota.

6.10 Licence Transfers

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser's sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

6.11 Payments in Respect of Transferred Assets

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset (including a Tax Refund), the recipient of such payment or other consideration shall promptly notify the Company and promptly pay and transfer (net of any out-of-pocket expenses payable by the Company, the Purchaser or any of their respective Affiliates in respect of such amounts, if any) such payment or other consideration to the Company, on behalf of ResidualCo. From and after Closing, the Company and the Purchaser shall provide reasonable cooperation to ResidualCo to enable ResidualCo to obtain the benefit of any Transferred Asset.

6.12 Payments in Respect of Cure Costs

The Cure Costs shall be paid by the Purchaser to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Purchaser and the relevant counterparty to a Retained Contract. All payments required to cure pre-filing monetary defaults in respect of any Retained Contract not specifically included in Schedule "C" hereto shall not be an obligation of or payable by the Purchaser, and such obligation shall be transferred to and paid by ResidualCo on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by ResidualCo and the relevant counterparty.

6.13 Agreement Regarding Fees

The Purchaser and the Companies hereby acknowledge and agree that each of them will be responsible for any and all fees (including any Taxes imposed on such fees) incurred by them in connection with the formulation, negotiation, submission, and finalization of this Subscription Agreement.

6.14 Disclaimer of Excluded Contracts

The Company or Companies, as applicable, shall, in consultation with the Proposal Trustee, either: (a) disclaim all Excluded Contracts in accordance with Section 65.11 of the BIA, or (b) terminate those Excluded Contracts, as applicable, on or before the Closing Date.

In the event a contract, agreement, lease (including leases or subleases in respect of real property) or other commitment is designated as an Excluded Contract by the Purchaser in writing prior to Closing, the Parties acknowledge and agree that:

- (a) any monetary obligation flowing from such disclaimer or termination, as determined pursuant to a claims process to be facilitated by the Proposal Trustee in accordance with the BIA, shall be a Transferred Liability (the “**Disclaimer Liability**”);
- (b) the Purchase Price shall increase by an amount equal to the Disclaimer Liability; and
- (c) on Closing, the Purchaser shall transfer \$500,000, or such lesser amount as the Purchaser and the Proposal Trustee may agree, acting reasonably, to the Proposal Trustee (the “**Escrow Amount**”), to be held by the Proposal Trustee in a non-interest bearing trust account, pending the final valuation of any claim or claims filed by a counterparty to a disclaimed or terminated contract; provided, however, that the Escrow Amount shall not be deemed or otherwise construed to be an estimate of the Disclaimer Liability, if any, arising from such disclaimer or termination.

In the event the Disclaimer Liability is determined by the Proposal Trustee to:

- (a) exceed the Escrow Amount,
 - (i) the Purchaser shall pay to the Proposal Trustee, in cash or by wire transfer, the difference between the Disclaimer Liability and the Escrow Payment, and such payment shall form part of the Purchase Price; and
 - (ii) the Purchaser shall have no further obligation with respect to the Disclaimer Liability.
- (b) be equal to the Escrow Amount,
 - (i) the Escrow Amount shall form part of the Purchase Price;

- (ii) the Proposal Trustee shall release the Escrow Amount to ResidualCo; and
 - (iii) the Purchaser shall have no further obligation with respect to the Disclaimer Liability,
- (c) be less than the Escrow Amount:
- (i) an amount equivalent to the Disclaimer Liability shall form part of the Purchase Price;
 - (ii) the Proposal Trustee shall release an amount equal to the Disclaimer Liability to ResidualCo;
 - (iii) the Proposal Trustee shall return the balance of the Escrow Amount to the Purchaser; and
 - (iv) the Purchaser shall have no further obligation with respect to the Disclaimer Liability.

ARTICLE 7

PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

7.1 Company to Provide Access

Prior to Closing, the Company shall, subject to all contractual and fiduciary obligations of the Company, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession or control of the Company, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Company and ResidualCo from and against all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 7.1 shall survive the Closing Date indefinitely.

7.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the ResidualCo or the Proposal Trustee, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters, Claims, and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Company or any of them.

7.3 Maintenance of Information

Subject to Applicable Law, all of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

ARTICLE 8 GENERAL

8.1 Further Assurances

Each Party will, at the cost and expense of the requesting party, from time to time and at all times after Closing, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

8.2 Liability of the Company or ResidualCo

Other than as set out in Section 2.4, under no circumstances shall the Company or ResidualCo or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

8.3 Entire Agreement

Except for the SISP Order and the Reverse Vesting Order, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Subscription Agreement and, in the event of conflict, except for the SISP Order or the Reverse Vesting Order, the provisions of this Subscription Agreement shall prevail. In the event that Closing occurs, except for the SISP Order and the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

8.4 Governing Law

This Subscription Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the proceedings bearing Alberta Court of King's Bench Court Action No. 25-3009380. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

8.5 Assignment and Enurement

Excepting an assignment in whole of this Subscription Agreement from the Purchaser to an Affiliate of the Purchaser, this Subscription Agreement nor any of the rights or obligations under this Subscription Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

8.6 Time of Essence

Time is of the essence in this Subscription Agreement.

8.7 Notices

The addresses of the Parties for delivery of notices hereunder shall be as follows:

Company: Athabasca Minerals Inc.
407 2 Street SW, Suite 1730
Calgary, AB T2P 2Y3

Attention: Dana Archibald, Chief Executive Officer
Email: dana.archibald@athabascaminerals.com

With a copy to its legal counsel at:

Fasken Martineau DuMoulin LLP
Suite 3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Attention: Robyn Gurofsky / Jessica Cameron
Email: rgurofsky@fasken.com / jcameron@fasken.com

Purchaser: Badger Mining Corporation
409 South Church Street, Berlin, WI 54923
(920) 361-2388

Attention: Victoria Berenz
Email: yberenz@badgerminingcorp.com

With a copy to its legal counsel at:

Blake, Cassels & Graydon LLP
855 2 St SW Suite 3500,
Calgary, AB T2P 4J8

Attention: Linc Rogers / Daniel McLeod / Christopher Keliher
Email: linc.rogers@blakes.com / daniel.mcleod@blakes.com
christopher.keliher@blakes.com

and

Godfrey Kahn S.C.
200 South Washington Street, Suite 100
Green Bay, WI 54301

Attention: Timothy McCoy / Nicholas Hahn
Email: Tmccoy@gklaw.com / NHahn@gklaw.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered; or
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

8.8 Invalidity of Provisions

In case any of the provisions of this Subscription Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

8.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing, including by way of-email, under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

8.10 Amendment

This Subscription Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized Representative of each Party.

8.11 Survival

Other than those representations, warranties, covenants or other agreements which by their terms contemplate performance after Closing (including those set forth in Article 6) or unless otherwise expressly provided in this Subscription Agreement, the representations, warranties, covenants and other agreements contained in this Subscription Agreement shall not survive Closing.

8.12 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement), or (ii) in connection with obtaining the Reverse Vesting Order.

8.13 Sealing Order

The Company may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Company or the Proposal Trustee containing the financial and other confidential details of these Transactions (the “**Confidential Materials**”), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Company, if granted, only the judge presiding over the Proposal Proceedings, the Purchaser and their respective Representatives shall have access to the Confidential Materials and the confidential information contained therein.

8.14 Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or
- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 4.1, 4.2 or 4.3, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to confidentiality (Section 8.12) and the use of personal information (Section 8.15), and the Deposit shall be addressed in accordance with Section 2.4.

8.15 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and
- (c) the Purchaser's obligations set forth in this Section 8.15 shall survive the Closing Date indefinitely.

8.16 Directors

- (a) At Closing, Camille LeRouge, Michael C. Hess, Robert L. Brooks, and Cody Wickersheim shall be the directors of the Company and all other prior directors shall be deemed to have resigned effective at Closing.

(Remainder of page intentionally left blank)

8.17 Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Subscription Agreement as of the date first above written.

ATHABASCA MINERALS INC.

BADGER MINING CORPORATION

Per: _____

Name:

Title:

Per: _____

Name: Adam Katz

Title: Chief Commercial Officer

THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Form of Reverse Vesting Order

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER
COURT

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

JUDICIAL CENTRE

CALGARY

MATTER

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
ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

APPLICANTS

ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP

Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON 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, approving the reverse vesting share transaction (the “**Transaction**”) in respect of AMI

contemplated by the Subscription Agreement between AMI and [REDACTED] (the “**Purchaser**”) dated [REDACTED] (the “**Subscription Agreement**”), and attached as Exhibit [REDACTED] to the affidavit of [REDACTED] sworn [REDACTED] (the “**Affidavit**”);

AND UPON HAVING READ the within Notice of Application, the [REDACTED] Affidavit and the [REDACTED] Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “**Proposal Trustee**”) dated [REDACTED] (the “**[REDACTED] Report**”), the Affidavit of Service of Kim Picard, sworn [REDACTED], the Order of this Court granted on December 12, 2023 (the “**First Order**”), and the other pleadings previously filed in the within proposal proceedings;

AND UPON HEARING the submissions of counsel for the Companies, the Proposal Trustee, the Purchaser, and such other counsel in attendance at the hearing of this application:

IT IS HEREBY ORDERED THAT:

SERVICE

1. Service of the notice of this application for this Order and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and the time for service of this application is abridged to that actually given and this application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement and the First Order, as applicable.

APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the

Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.

4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of AMI proceeding with the Transactions, and no shareholder or other approval shall be required in connection therewith.

REORGANIZATION

5. Subject to the terms of the Subscription Agreement, upon delivery of a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule "A" hereto (the "**Proposal Trustee's Certificate**"), the following, among other things, shall occur and be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Subscription Agreement:
 - a) the Purchaser shall deliver the Purchase Price (for the subscription and purchase of the Purchased Shares by AMI), and the Escrow Amount, if applicable, to the Proposal Trustee, on behalf of and for the benefit of AMI, and the Purchase Price shall be dealt with in accordance with the Closing Sequence in the Subscription Agreement;
 - b) the Terminated Employees shall be terminated by AMI or the Companies, as applicable;
 - c) all directors of AMI immediately prior to the Closing Date shall be deemed to resign and the new director named on the Subscription Agreement shall be deemed to be appointed as sole director of AMI;
 - d) each issued and outstanding Common Share held by a Company Shareholder immediately prior to the Closing Date shall be exchanged without any further act or formality thereof for consideration in the form of one ResidualCo Share for each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;

- e) each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order; and
 - f) AMI shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with the Subscription Agreement, free and clear of and from any and all Claims, Losses and Encumbrances.
6. The Purchaser and AMI, in completing the Transactions, are authorized to:
- a) execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and
 - b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.
7. The Proposal Trustee may rely on any documents, assurances, or written notices, from AMI, the Companies, and the Purchaser, as applicable, regarding the fulfillment of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Proposal Trustee's Certificate following the receipt of such document, assurance, or written notice.
8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 ("**ABCA**") shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription

Agreement, filed by AMI, and the effective date for any certificate or authorization issued by the Registrar shall be the date of Closing.

9. The Purchaser, the Companies, and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Reorganization, including, without limitation, the issuance of the Purchased Shares, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Reorganization.
10. This Order shall constitute the only authorization required by the Purchaser, the Companies, or ResidualCo to proceed with the Transaction, including, without limitation, the Reorganization and, except as specifically provided in the Subscription Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction in respect of the Companies is required for the due execution, delivery and performance by the Purchaser, the Companies and by ResidualCo of the Subscription Agreement and the completion of the Transaction.

VESTING OF ASSETS AND LIABILITIES

11. Subject to the terms of the Subscription Agreement, upon delivery of the Proposal Trustee's Certificate, the following, among other things, shall occur and be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Subscription Agreement:
 - a) all legal and beneficial right, title and interest of the Companies in and to the Transferred Assets (which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Encumbrances attached to the Transferred Assets prior to the

transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;

- b) all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;
- c) the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
- d) the Retained Assets will be retained by AMI in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- e) AMI shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by AMI to the Subsidiaries) using the Purchase Price. If the aggregate principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and AMI and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price then any remaining Purchase Price shall vest

in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);

- f) the Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the First Order and all other Orders of this Court granted in relation to the Proposal Proceedings;
- g) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;
- h) the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and
- i) AMI shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which AMI is a reporting issuer.

12. As of the Effective Time:

- a) AMI shall continue to hold all right, title and interest in and to the Retained Assets and Retained Contracts, free and clear of all Claims, Losses and Encumbrances other than the Retained Liabilities; and
- b) AMI shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.

13. For greater certainty, any person that, prior to the Effective Time, had a Claim, Loss, or Encumbrance other than a Retained Liability against the Companies or their assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim, Loss, or Encumbrance against or in respect of the Companies or the Retained Assets, but shall have an equivalent Claim, Loss, or Encumbrance, as applicable, against: (a) the

Transferred Assets, and (b) all amounts received by ResidualCo in satisfaction of the ResidualCo Notes (together, the “**ResidualCo Assets**”), to be administered by the Proposal Trustee in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim, Loss, or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim, Loss, or Encumbrance of any Person as against the ResidualCo Assets to be administered by the Proposal Trustee in ResidualCo.

14. For greater certainty, from and after the Effective Time, all contracts, leases, licenses, and agreements to which the Companies are a party upon delivery of the Proposal Trustee’s Certificate will be and shall remain in full force and effect upon and following delivery of the Proposal Trustee’s Certificate and no individual firm, corporation, governmental body, agency, or any other entity (collectively a “**Person**”) who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform, or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution, or other remedy) or make any demand under or in respect of any such arrangement, and no automatic termination will have any validity or effect, by reason of:
 - a) the insolvency of the Companies or the fact that the Companies sought or obtained relief under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”);
 - b) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings;
 - c) any transfer or assignment, or any change of control of Companies arising from the implementation of the Subscription Agreement, the Transaction, or the provisions of this Order; or
 - d) any event that occurred on or prior to the delivery of the Proposal Trustee’s Certificate and is not continuing that would have entitled such Person to enforce

those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Companies).

15. Notwithstanding paragraph 13, all cure costs shall be paid by the Purchaser or ResidualCo, as applicable and as set out in the Subscription Agreement, to the relevant counterparty to a Retained Contract, on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Purchaser or ResidualCo, as applicable, and the relevant counterparty to a Retained Contract.
16. From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims, Losses and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.
17. Upon the delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transactions, and to discharge and release all Claims, Losses and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RESIDUALCO MATTERS

18. [●] (the "**First Director**") is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.

19. Notwithstanding Section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.
20. The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.
21. ResidualCo shall be deemed to be the former employer of any former employees of AMI or the Companies who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*. For greater certainty, the Terminated Employee Claims shall be and constitute Transferred Liabilities which, pursuant to this Order and the Closing Sequence, shall be discharged as against AMI and transferred to ResidualCo.
22. The administration of ResidualCo shall remain subject to the Proposal Trustee's appointment and oversight, and this Court's oversight and these proposal proceedings.
23. Following the satisfaction and discharge of all Transferred Liabilities, all outstanding ResidualCo Shares shall be cancelled for either: (i) no consideration; or (ii) in the event the Transferred Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, such amounts as determined by the Proposal Trustee in its sole discretion. Following the foregoing, all such ResidualCo Shares together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of ResidualCo shall be deemed terminated and cancelled in accordance with and pursuant to the this Order. The record date for such payment shall be set as the date of granting of this Order.

24. In addition to and without limiting the rights and protections afforded to the Proposal Trustee pursuant to the BIA, the First Order, and any subsequent Order granted by this Court in the within proceedings, the Proposal Trustee and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering ResidualCo, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Proposal Trustee pursuant to the First Order, any further Order granted in these proceedings or under the BIA shall continue to apply.

RELEASES AND OTHER PROTECTIONS

25. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:
- a) the Transferred Assets;
 - b) any and all Claims, Losses or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - c) the insolvency of the Companies prior to the Effective Time;
 - d) the commencement or existence of the notice of intention proceedings; or
 - e) the completion of the Transactions.
26. From and after the Effective Time, the Purchaser and the Companies shall be released from all Claims, Losses and Encumbrances with respect to any Taxes of, in respect of, or that relate to, the Companies, including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Companies (including their Affiliates and any predecessor corporations) pursuant to Sections 160 and 160.01 of the

Income Tax Act (Canada) and Section 325 of the GST Legislation and including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Companies; provided, as it relates to the Purchaser and the Companies, such release shall not apply to any Taxes in respect of the business and operations conducted by the Companies after the Effective Time. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes or obligations in respect thereof that are transferred to ResidualCo.

27. From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, and (d) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.
28. Other than as provided for in the Subscription Agreement, no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these proposal proceedings or ResidualCo, except with prior leave of this Court on not less than fifteen (15) days’ prior written notice to the applicable Released Party and upon further order security, as security for costs, the full indemnity costs of the applicable

Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

MISCELLANEOUS MATTERS

29. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), AMI and the Companies are authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Companies' records pertaining to past and current employees of the Companies. The Purchaser shall maintain and protect the privacy of such information in accordance with Applicable Law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by AMI prior to the Effective Time.
30. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee's Certificate forthwith after delivery thereof to the Purchaser.
31. Notwithstanding:
 - a) the pendency of these proceedings;
 - b) any application for a bankruptcy Order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership Order issued pursuant to any such application; or
 - c) the provisions of any federal or provincial statute,

the execution of the Subscription Agreement and the implementation of the Transactions shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Companies and shall not be void or voidable by creditors of ResidualCo or the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute

oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

32. Following the Effective Time, the style of cause of these proposal proceedings shall be hereby amended by being deleted and replaced in its entirety by the following:

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 **RESIDUALCO**

33. The Companies, the Purchaser, the Proposal Trustee, and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.
34. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Subscription Agreement and all amendments thereto, in connection with any dispute involving the Companies or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Companies or ResidualCo related in any way to the Transactions.
35. This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, including the State of Wisconsin, United States, and the State of North Dakota, United States, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee 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 and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.
36. Service of this Order may be effected by facsimile, electronic mail, personal delivery, registered mail or courier.

Justice of the Court of King's Bench of Alberta

Schedule "A" - Form of Proposal Trustee's Certificate

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER

Clerk's Stamp

COURT COURT OF KING'S BENCH OF
ALBERTA, IN BANKRUPTCY &
INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER 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 ATHABASCA
MINERALS INC., AMI SILICA INC.,
AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT
ENGINEERING LTD., 2132561
ALBERTA LTD., and 2140534 ALBERTA
LTD.

DOCUMENT

Proposal Trustee's Certificate

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Fasken Martineau DuMoulin LLP Attn: Robyn Gurofsky / Jessica Cameron 3400 First Canadian Centre 350-7 Avenue SW Calgary, AB T2P 3N9 Telephone: (403) 261-9469/261-9468 Facsimile: (403) 261-5351 Email: rgurofsky@fasken.com / jcameron@fasken.com File No. 318938.00024
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RECITALS

- A. On November 13, 2023, 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**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal trustee of the Companies’ within Proposal Proceedings (and in such capacity the “**Proposal Trustee**”).
- B. Pursuant to an Order of the Honourable _____ of the Alberta Court of King’s Bench, Judicial District of Calgary (the “**Court**”) dated _____, 2024 (the “**Transaction Approval Order**”), the Court approved the transactions contemplated by the Subscription Agreement dated _____, 2024 (the “**Subscription Agreement**”) between AMI and  (the “**Purchaser**”).
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Shares payable on the Closing Date and the Escrow Amount, if applicable, pursuant to the Subscription Agreement and the Transaction Approval Order;

2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by AMI and/or the Purchaser, as the case may be; and
3. The Transactions contemplated by the Subscription Agreement and the Transaction Approval Order have been completed to the satisfaction of the Proposal Trustee.

This Certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

**KSV Restructuring Inc., in its capacity as
Proposal Trustee of and not in its personal
or corporate capacity**

Per: _____

Name: Andrew Basi

Title: Managing Director

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, means:

- any asset designated as a Transferred Asset by the Purchaser in writing to the Company and the Proposal Trustee prior to the closing of the Transaction.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, means, unless otherwise designated by the Purchaser as a Retained Liability, all obligations or liabilities of any nature and kind owed by the Company or Companies, as applicable, including but not limited to all unsecured debt or secured debt wheresoever and howsoever arising, including by operation of the BIA, court order, or other Applicable Law. For greater certainty, but not to limit the generality of the foregoing, the Transferred Liabilities shall include, but is not limited to:

- funded indebtedness;
- promissory notes (other than the ResidualCo Notes) issued by the Companies;
- operating liabilities and Taxes related to the Transferred Assets;
- liabilities of the Companies for Taxes arising prior to or on the Closing Date, howsoever arising, excepting any Taxes specifically designated as a Retained Liability and any Taxes arising as a result of this Transaction;
- trade claims, trade payables or other unsecured claims, including any cure cost not explicitly set out in Schedule “C” hereto, or other obligations owing in connection with the Retained Contracts;
- liabilities relating to any change of control provision that may arise in connection with any change of control contemplated by the Transactions, including with respect to any change of control obligations arising owed to the Employees, regardless of whether any such employee: (a) is terminated by the Companies, (b) is designated as a Retained Employee, or (c) enters into a new employment agreement or transition services agreement with the Purchaser or the Companies, as applicable;

- liabilities associated with shareholder or other loans to the Companies;
- the Terminated Employee Claims as well as any payroll or other employment related statutory obligations accrued prior to Closing in respect of the Terminated Employees;
- except as provided for in Section 6.14, Claims or Losses arising from the Excluded Contracts, wheresoever and howsoever arising, including with respect to any Claims or Losses arising from the disclaimer or termination of the Excluded Contracts;
- liabilities or obligations arising from the SISP Order and any subsequent order of the Court, including but not limited any liability or obligations secured by the following:
 - the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
 - the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- Claims or Losses of any kind or nature arising on or before the Effective Date.
- Accrued but unpaid payroll and unremitted employment related statutory obligations, if any, owing to the Retained Employees, other than amounts described in Section 6.7(c)(ii).

Excluded Contracts

The Excluded Contracts, being those contracts, leases or agreements to be disclaimed and/or otherwise terminated by the Company, or Companies, includes:

- any contract, agreement, lease, or commitment designated as an Excluded Contract by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Purchaser, means, unless otherwise designated by the Purchaser, all assets of every nature and kind whatsoever owned,

controlled, or beneficially held by the Company or the Companies, as applicable, including but not limited to:

- the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of North Dakota;
- all cash and cash equivalents held immediately prior to closing;
- all accounts receivable, notes receivable, and other debts due or accruing due to the Company or Companies;
- all inventory;
- all intellectual property, including patents, trademarks, copyrights, tradenames, internet domain names, industrial designs, trade secrets and other proprietary information;
- all goodwill and other intangible assets;
- all Real Property;
- all books and records of the Companies, including minute books, books of account, ledgers, general, financial and accounting records, Tax Returns and other records in the possession and control of the Companies or the Proposal Trustee, but in each case excludes all books and records in respect of the Transferred Assets and Transferred Liabilities, and excludes any email correspondence of the Companies (including any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;
- the Companies' bank accounts and all agreements related thereto;
- all regulatory and license attributes of the Companies;
- including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;
- letters of intent, nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements (other than any employment agreements);
- all shares of capital stock or other equity interests in any Affiliate of the Company;
- any intercompany indebtedness or claim owing to the Company by an Affiliate of the Company;
- all organizational documents, corporate books and records, income tax returns and the corporate seal of the Company;
- any records that are required by law to be retained by the Companies;

- all computers, computer servers, and websites;
- all office equipment;
- all tax attributes, if any, of the Companies inherent to them, including all rights related to former Tax Returns, Tax Refunds (other than in respect of the Transferred Assets), and non-capital loss balance carry forwards;
- all current and prior director and officer insurance policies of the Company and all rights of any nature with respect thereto running in favor of the Company;
- any and all rights of the Company or Companies, as applicable, under this Subscription Agreement and the Reverse Vesting Order;
- all rights, Claims, Losses, Encumbrances, or causes of action by, on behalf of, or held beneficially for the Company or Companies, as applicable, against any Person;
- all equity interests or other similar investments held by the Company or Companies, as applicable; and
- without limiting the foregoing, any other asset designated as a Retained Asset by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transaction.

Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Company, from and after the Closing Time, means:

- obligations in connection with nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements to which the Companies are a party;
- any and all regulatory, environmental and government liabilities related to the Lands and Buildings and Fixtures;
- all operating liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- income tax liabilities in respect of the Company's 2023 taxation year arising from (a) the disposition of certain assets in 2023 pursuant to the Offer to Purchase and Agreement for the Purchase and Sale of Assets between the Company and an arm's length party closing dated June 23, 2023; and (b) the Settlement Agreement dated October 2023 between the Company and a supplier. For greater certainty, no other Taxes shall be retained by the Companies, all of which shall be transferred to

ResidualCo as part of the Transferred Liabilities (excepting any Taxes arising as a result of this Transaction);

- Taxes arising as a result of this Transaction;
- obligations arising in connection with Retained Contracts and Permits;
- any intercompany indebtedness or claim owing to an Affiliate of the Company;
- any other liability or obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to Closing; and
- Amounts owing for unpaid payroll and unremitted employment related statutory obligations, if any, owing to the Retained Employees, as described in Section 6.7(c)(ii).

Retained Contracts

The Retained Contracts, being those contracts to be retained by the Company through operation of the Reverse Vesting Order, means:

- each and every contract, agreement, and commitment held by the Company, or Companies, as applicable, in force immediately prior to the date of the Subscription Agreement, unless otherwise designated by the Purchaser.

THE FOLLOWING COMPRISES SCHEDULE “C” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JANUARY 31, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Contract Counterparty/Project	Cure Cost (\$CAD)
799462 Alberta Ltd.	\$40,000.00
Sierra Geological Corp.	\$40,000.00
102004623 Saskatchewan Inc.	\$40,000.00
Firebag Sand Resource	\$20,851.65

This is Exhibit "E"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 26th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
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fasken.com

February 6, 2024
File No.: 318938.00024/23362

Jessica Cameron
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jcameron@fasken.com

Via Email (Christopher.keliher@blakes.com)

Blake Cassels & Graydon LLP
855 2nd Street SW
Suite 3500, Bankers Hall East Tower
Calgary, AB T2P 4J8

Attention: Christopher Keliher

Dear Mr. Keliher,

Re: 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 Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI Rockchain Inc., TerraShift Engineering Inc., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. (together, the “Applicants” or the “Company”)

Court File No. 25-3009380

We write with respect to Athabasca Mineral Inc.’s (“**AMI**”) sales and investment solicitation process (“**SISP**”), approved by the Alberta Court of King’s Bench (the “**Court**”) on December 12, 2023. All capitalized terms used but not otherwise defined herein have the meaning given to them under the SISP.

Firstly, thank you for your letter of January 31, 2024 submitting your client’s, Badger Mining Corporation’s (“**Badger**”), offer to acquire substantially all of the Company’s Property and Business. We write to confirm that following a review of the bids received by the Company, in consultation with the Sales Advisor and the Proposal Trustee, the bid submitted by Badger has been classified as a Superior Bid pursuant to and in accordance with the terms of the SISP. There were no other Superior Bids submitted by the Bid Deadline, or otherwise.

Further, we wish to advise your client that the Company, again in consultation with the Sales Advisor and the Proposal Trustee, have determined to waive strict compliance with the SISP bid requirements prescribed by paragraph 23 of the SISP in relation to the definitive documents provided by the stalking horse bidder, JMAC Energy Services LLC (“**JMAC**”). Specifically, pursuant to and in accordance with the terms of paragraph 24 of the SISP, a waiver is being provided to JMAC as JMAC did not deliver definitive documents nor an accompanying covering letter with the confirmatory points required pursuant to paragraph 23 of the SISP to the Company by the stipulated bid deadline. Rather, JMAC provided definitive documentation to the Company



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just after midnight on February 1st, 2024, with the requisite confirming letter following on Friday February 2nd, 2024. Given the short nature of this delay, coupled with the fact that the Company progressed its review of Badger's bid during this time frame without delay, it is the Company's position, as supported by the Sales Advisor and the Proposal Trustee, that no party would be materially prejudiced by the granting of this waiver. We can confirm that no other waivers have been provided to any other party in the SISP.

Consequently, as a result of the foregoing the Company intends to proceed to an Auction pursuant to and in accordance with the terms of the SISP. Presently, the Company anticipates maintaining the date of the Auction as this coming Friday February 9th, 2024, subject to nearing completion of definitive documents with the respective parties and calculating the Bid Value Differential (as further defined and described below), if any, to be applied to bids.

Please accept this letter as Badger's formal invitation to participate in the Auction. While the SISP originally contemplated that parties would have until February 7th to advise the Company and Proposal Trustee of their intention to participate in an Auction, please be advised that due to the delays occasioned to date, the Company, in consultation with the Proposal Trustee, is extending the deadline to confirm participation in the Auction to 10:00 am (MST) on Thursday February 8th, 2024 (the "Deadline"). We look forward to your client's confirmation in this regard.

Prior to proceeding with the Auction, the Company will be advancing the definitive transaction documents with Badger and JMAC. Once the parties have finalized those aspects of their respective transaction documents that could give rise to liabilities at the ResidualCo level, the Company will provide the definitive transaction documents to each other Auction Bidders. The basis for doing so is in furtherance of overall bid evaluations as further detailed below.

The Company and the Proposal Trustee are in the process of determining what the overall net value to be derived from each transaction will be for the Company's estate. In the event the structure of one of the proposed transactions results in a lower net value for the Company's estate, that Auction Bidder will be advised of this and they will have the opportunity to either: i) revise the structure of their proposed transaction; or ii) commit to providing additional cash consideration equal to the value differential ("**Bid Value Differential**"). If said Auction Bidder elects to pursue option number two, all Auction Bidders will be advised of this fact and the fact that for this party any bid made by it in a Round at the Auction shall include additional consideration in the form of the Minimum Bid Increment and this Bid Value Differential. The Bid Value Differential will not be applied to Auction Bids, but will be payable at Closing. However, the bidding at the Auction for all other Auction Bidders will continue to increase at the Minimum Bid Increment. Further to this, the Stalking Horse Bidder Auction Bids will include a deemed \$200,000 credit equal to the sum of the Expense Reimbursement ("**Expense Reimbursement Credit**").

For example, if Badger's bid creates an unsecured liability of \$500,000 not created by the definitive JMAC stalking horse bid, the Rounds of bidding would be as follows:



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	Superior Bidder (Badger)	JMAC
Round 1: \$13,300,000	\$13,300,000 + \$500,000	\$13,300,000 (Inclusive of Expense Reimbursement Credit)
Round 2: \$13,400,000	\$13,400,000 + \$500,000	\$13,400,000 (Inclusive of Expense Reimbursement Credit)

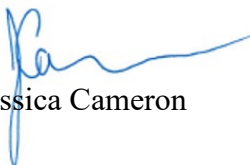
The Company has decided to proceed in this fashion given that it was difficult for parties to accurately compete against JMAC's stalking horse bid, which was provided by way of a non-binding term sheet, from which parties were unable to ascertain exactly what liabilities were or were not being assumed by the stalking horse bidder. As other bidders in the process have not yet been afforded the opportunity to review JMAC's definitive agreement, proceeding in this fashion in our view preserves both the competitive tension to be derived from the stalking horse sales process generally, as well as the fairness and integrity of that process. This decision has been made with the support of both the Sales Advisor and the Proposal Trustee.

Additionally, the Company will clearly communicate any other additional rules in relation to the conduct of the Auction to the Auction Bidders in advance of the Auction. In terms of technical requirements for the Auction, the Auction will be conducted virtually via Microsoft Teams. A link to a Teams meeting will be provided to all Auction Bidders in advance of the Auction. In order to avoid any technical difficulties during the Auction, we are contemplating that adjournments will be taken by parties turning off their video connection to the Teams Meeting or signing in and out to conduct discussions.

While we appreciate that we are still in the process of ascertaining whether there will be a Bid Value Differential ascribed to Badger's bid, we would appreciate hearing from you as to whether Badger would be amenable to proceeding with the Auction in the manner set forth above. We would also appreciate your confirmation that the Company may disclose the proposed definitive transaction documents to JMAC.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP


Jessica Cameron



FASKEN

cc: Andrew Basi (KSV Restructuring Inc.)
Proposal Trustee

Michael Selnes (Bennett Jones LLP)
Counsel to the Proposal Trustee

Canaccord Genuity Corp. c/o Andrew Birkby
Sales Advisor



of the study. The authors are grateful to the following individuals for their assistance during the course of the study: E. J. O'Brien, J. M. F. L. O'Brien, and J. M. F. O'Brien.

REFERENCES

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- BRIDGES, J. B., J. W. HARRIS, and R. J. WILSON. 1990. Genetic divergence of a new species of *Timema* (Dipodomys) in the presence of a common ancestor. *Evolution* 44:167-176.
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- BRIDGES, J. B., J. W. HARRIS, and R. J. WILSON. 1997. Genetic divergence of a new species of *Timema* (Dipodomys) in the presence of a common ancestor. *Evolution* 51:254-265.
- BRIDGES, J. B., J. W. HARRIS, and R. J. WILSON. 1998. Genetic divergence of a new species of *Timema* (Dipodomys) in the presence of a common ancestor. *Evolution* 52:265-276.

RECEIVED FOR CONSIDERATION

17 October 2000

RECEIVED FOR ACCEPTANCE

22 December 2000

ACCEPTED FOR PUBLICATION

15 February 2001

FASKEN

Fasken Martineau DuMoulin LLP
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Patent and Trade-mark Agents

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February 6, 2024
File No.: 318938.00024/23362

Jessica Cameron
Direct +1 403 261 9468
jcameron@fasken.com

Via Email (dnishimura@fieldlaw.com)

Field Law
400 – 444 7 Avenue SW
Calgary, AB T2P 0X8

Attention: Douglas Nishimura

Dear Mr. Nishimura,

Re: 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 Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI Rockchain Inc., TerraShift Engineering Inc., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. (together, the “Applicants” or the “Company”)

Court File No. 25-3009380

We write with respect to Athabasca Mineral Inc.’s (“**AMI**”) sales and investment solicitation process (“**SISP**”), approved by the Alberta Court of King’s Bench (the “**Court**”) on December 12, 2023. All capitalized terms used but not otherwise defined herein have the meaning given to them under the SISP.

Firstly, thank you for your letter of February 2, 2024 submitting your client’s, JMAC Energy Services LLC’s (“**JMAC**”), offer to acquire substantially all of the Company’s Property and Business. We write to confirm that the Company, in consultation with the Sales Advisor and the Proposal Trustee, have determined to waive strict compliance with the SISP bid requirements prescribed by paragraph 23 of the SISP in relation to the definitive documents provided by your client. Specifically, pursuant to and in accordance with the terms of paragraph 24 of the SISP, a waiver is being provided to JMAC as JMAC did not deliver definitive documents nor an accompanying covering letter with the confirmatory points required pursuant to paragraph 23 of the SISP to the Company by the stipulated bid deadline. Rather, JMAC provided definitive documentation to the Company just after midnight on February 1st, 2024, with the requisite confirming letter following on Friday February 2nd, 2024. Given the short nature of this delay, coupled with the fact that the Company progressed its review of other bids during this time frame without delay, it is the Company’s position, as supported by the Sales Advisor and the Proposal Trustee, that no party would be materially prejudiced by the granting of this waiver. We can confirm that no other waivers have been provided to any other party in the SISP.



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Further, we wish to advise your client that following a review of the bids received by the Company, in consultation with the Sales Advisor and the Proposal Trustee, there has been the submission of a Superior Bid by Badger Mining Corporation (“**Badger**”) pursuant to and in accordance with the terms of the SISP. There were no other Superior Bids submitted by the Bid Deadline, or otherwise.

Consequently, as a result of the foregoing the Company intends to proceed to an Auction pursuant to and in accordance with the terms of the SISP. Presently, the Company anticipates maintaining the date of the Auction as this coming Friday February 9th, 2024, subject to nearing completion of definitive documents with the respective parties and calculating the Bid Value Differential (as further defined and described below), if any, to be applied to bids.

Please accept this letter as JMAC’s formal invitation to participate in the Auction. While the SISP originally contemplated that parties would have until February 7th to advise the Company and Proposal Trustee of their intention to participate in an Auction, please be advised that due to the delays occasioned to date, the Company, in consultation with the Proposal Trustee, is extending the deadline to confirm participation in the Auction to 10:00 am (MST) on Thursday February 8th, 2024 (the “Deadline”). We look forward to your client’s confirmation in this regard.

Prior to proceeding with the Auction, the Company will be advancing the definitive transaction documents with Badger and JMAC. Once the parties have finalized those aspects of their respective transaction documents that could give rise to liabilities at the ResidualCo level, the Company will provide the definitive transaction documents to each other Auction Bidders. The basis for doing so is in furtherance of overall bid evaluations as further detailed below.

The Company and the Proposal Trustee are in the process of determining what the overall net value to be derived from each transaction will be for the Company’s estate. In the event the structure of one of the proposed transactions results in a lower net value for the Company’s estate, that Auction Bidder will be advised of this and they will have the opportunity to either: i) revise the structure of their proposed transaction; or ii) commit to providing additional cash consideration equal to the value differential (“**Bid Value Differential**”). If said Auction Bidder elects to pursue option number two, all Auction Bidders will be advised of this fact and the fact that for this party any bid made by it in a Round at the Auction shall include additional consideration in the form of the Minimum Bid Increment and this Bid Value Differential. The Bid Value Differential will not be applied towards Auction Bids, but will be payable at Closing. However, the bidding at the Auction for all other Auction Bidders will continue to increase at the Minimum Bid Increment. Further to this, the Stalking Horse Bidder Auction Bids will include a deemed \$200,000 credit equal to the sum of the Expense Reimbursement (the “**Expense Reimbursement Credit**”).

For example, if Badger’s Superior Bid creates an unsecured liability of \$500,000 not created by the definitive JMAC stalking horse bid, the Rounds of bidding would be as follows:

	Badger	JMAC
--	--------	------



FASKEN

Round 1: \$13,300,000	\$13,300,000 + \$500,000	\$13,300,000 (Inclusive of Expense Reimbursement Credit)
Round 2: \$13,400,000	\$13,400,000 + \$500,000	\$13,400,000 (Inclusive of Expense Reimbursement Credit)

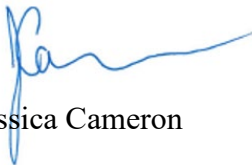
The Company has decided to proceed in this fashion given that it was difficult for parties to accurately compete against JMAC's stalking horse bid, which was provided by way of a non-binding term sheet, from which parties were unable to ascertain exactly what liabilities were or were not being assumed by the stalking horse bidder. As other bidders in the process have not yet been afforded the opportunity to review JMAC's definitive agreement, proceeding in this fashion in our view preserves both the competitive tension to be derived from the stalking horse sales process generally, as well as the fairness and integrity of that process. This decision has been made with the support of both the Sales Advisor and the Proposal Trustee.

Additionally, the Company will clearly communicate any other additional rules in relation to the conduct of the Auction to the Auction Bidders in advance of the Auction. In terms of technical requirements for the Auction, the Auction will be conducted virtually via Microsoft Teams. A link to a Teams meeting will be provided to all Auction Bidders in advance of the Auction. In order to avoid any technical difficulties during the Auction, we are contemplating that adjournments will be taken by parties turning off their video connection to the Teams Meeting or signing in and out to conduct discussions.

In light of the foregoing, we would appreciate your confirmation that the Company may disclose the proposed definitive transaction documents to Badger in advance of the Auction.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Jessica Cameron

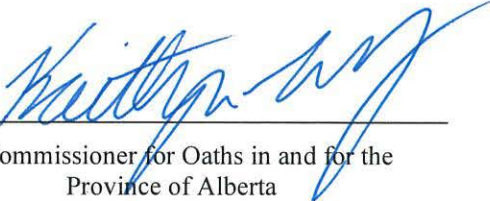
cc: Andrew Basi (KSV Restructuring Inc.)
Proposal Trustee

Michael Selnes (Bennett Jones LLP)
Counsel to the Proposal Trustee

Canaccord Genuity Corp. c/o Andrew Birkby
Sales Advisor



This is Exhibit "F"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 26th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

From: [Jessica Cameron](#)
To: [Keliher, Christopher](#); [Douglas Nishimura](#)
Cc: [Robyn Gurofsky](#); [Jason Giborski](#); [Sarah Gingrich](#); [Andrew Basi](#); [Michael Selnes](#); [Project Sandman {F12789198}.CANADA@mail.cloudimage.com](#)
Subject: RE: Athabasca Minerals Inc. - Auction Rules - Auction: Friday February 9, 2024 [FMD-CANADA.FID12789198]
Date: February-09-24 7:03:58 AM
Attachments: [Badger and AMI - Subscription Agreement \(January 31, 2024\).pdf .pdf](#)
[304401377 v\(4\) Athabasca - Share Purchase Agreement \(JMAC\).docx](#)
[304401846 v\(6\) Athabasca - Subscription Agreement \(JMAC\).docx](#)

Good Morning Chris & Doug,

Further to the below and the Auction being held this morning, please find attached the final form of transaction agreement of both Auction Bidders upon which the Company will be basing the Auction Bids at this morning's Auction. Please also note that Badger has been advised that in any bid it makes today, a Bid Value Differential of up to \$111,000 will be applied against its bid. This amount is based upon the potential severance liabilities that could arise if Badger terminated the five employees without change of control provisions in their employment agreements, that JMAC has otherwise indicated they will be assuming. We also note that with respect to the Expense Reimbursement payable to JMAC in the event Badger is the Successful Bidder, this amount is already payable under the terms of the Badger Subscription Agreement in addition to the purchase price thereunder, and as such it was not included in the calculation of the Bid Value Differential.

Should either of you have any questions or concerns on this, please do not hesitate to reach out to us. It would be best to resolve any issues in advance of the commencement of the Auction to the extent we are able.

See you and your respective teams shortly.

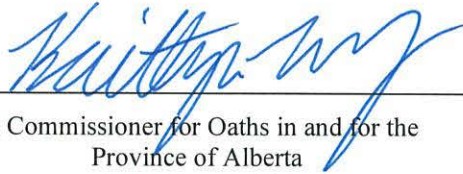
Best,

Jessica Cameron (She/Her)
Partner

T +1 403 261 9468 | jcameron@fasken.com

Fasken Martineau DuMoulin LLP

This is Exhibit "G"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 20th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

From: [Jessica Cameron](#)
To: [Keliher, Christopher](#); [Douglas Nishimura](#)
Cc: [Robyn Gurofsky](#); [Jason Giborski](#); [Sarah Gingrich](#); [Andrew Basi](#); [Michael Selnes](#); [Project Sandman {F12789198}.CANADA@mail.cloudimage.com](#)
Subject: Athabasca Minerals Inc. - Auction Rules - Auction: Friday February 9, 2024 [FMD-CANADA.FID12789198]
Date: February-08-24 11:22:18 AM
Attachments: [AMI Auction Process - 02_07_2024\(304468756.4\).pdf](#)
Importance: High

Good Morning Chris & Doug,

Further to our various correspondence this week, I write to confirm that each of your clients, being Badger Mining Corporation (“Badger”) and JMAC Energy Services LLC (“JMAC”), have indicated they will be participating in the Auction respecting Athabasca Mineral Inc.’s et al. (the “Companies”) ongoing sales and investment solicitation process (“SISP”), as approved by the Alberta Court of King’s Bench on December 12, 2023. As such, we confirm that each of Badger and JMAC are confirmed as Auction Bidders pursuant to the SISP and for the purposes of the Auction. We confirm that the Companies intend to commence the Auction tomorrow morning, being Friday February 9, 2024, at 10:00 am virtually via Microsoft Teams. In that regard, please provide a complete list together with emails and telephone numbers of the representatives from your respective clients that will be attending so we can provide all parties with the link to access the Auction later today.

Please also find attached the formalized Auction Rules setting out the rules for the conduct of the Auction tomorrow.

With respect to the potential Bid Value Differential, the Companies, in consultation with the Proposal Trustee, are in the final processes of determining that amount, if any, which is dependent upon finalizing each parties’ respective transaction documents. Given further comments were circulated last night to both parties, we have not yet provided copies of the respective transaction documents to the other Auction Bidder, but will endeavour to do so as soon as those agreements are finalized, or we otherwise receive your consent to disclose the current versions.

Should you have any questions or concerns respecting the foregoing please do not hesitate to contact us. We would prefer to resolve any issues in advance of the commencement of the Auction tomorrow morning, so that the process may run smoothly for all parties.

Best,

Jessica Cameron (She/Her)
Partner

T +1 403 261 9468 | jcameron@fasken.com

Fasken Martineau DuMoulin LLP

Auction Rules for the sales process involving Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI Rockchain Inc., Terrashift Engineering Ltd., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively the “Companies”)

Defined Terms

1. All monetary references shall be in Canadian dollars, unless otherwise stated.
2. All capitalized terms used herein have the same meaning ascribed in the SISP Procedure for the Sales and Investment Solicitation Process of Athabasca Minerals Inc. et al approved pursuant to the order of the Honourable ACJ D.B. Nixon dated December 12, 2023, unless otherwise defined.
3. In the following auction procedure, which shall govern the conduct of the Auction:

“**Auction**” means the auction conducted pursuant to the SISP Procedure.

“**Auction Bidder**” means a Qualified Bidder participating in this Auction.

“**Auction Rules**” means the rules outlined in this document.

“**Bid Value Differential**” means the amount, if any, that, in advance of the commencement of the Auction, an Auction Bidder is notified by the Companies, following consultation with the Proposal Trustee, of additional cash consideration that must accompany any Auction Bid made by it at the Auction, in order to result in equivalent value being obtained for the Companies due to variations in the Auction Bidder’s respective Transaction Documents;

“**Business Day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary.

“**Outside Date**” means March 30, 2024, or such other date as the Companies, the Proposal Trustee, and the Successful Bidder(s) may agree, acting reasonably.

“**Proposal Trustee**” means KSV Restructuring Inc. in its capacity as Proposal Trustee of the Companies.

“**Proposal Proceedings**” means the Proposal proceedings in respect of the Companies in Alberta Court of King’s Bench Court Bankruptcy Estate Matters 25-3009380, 25-30009384, 25-3009386, 25-3009385, 25-009379, 25-3009389, and 25-3009398.

“**Sales Agent**” means Canaccord Genuity Corp.

“**SISP**” means the Sales Investment and Solicitation Process approved pursuant to the Order of the Honourable Associate Chief Justice D.B. Nixon dated December 12, 2023 in these Proposal Proceedings.

“**Starting Bid**” means \$13,100,000.00.

“Transaction Documents” means the proposed definitive transaction agreements tendered by the Auction Bidders to the Sales Agent and the Companies pursuant to the SISP, together with such additional modifications as may be agreed upon by the Companies and the respective Auction Bidders.

Conditions of Participating in the Auction

4. Prior to **10:00 a.m. (Calgary Time) on Thursday February 8, 2024**, each Auction Bidder shall inform the Proposal Trustee and the Sales Agent in writing whether it intends to participate in the Auction.
5. Prior to the commencement of the Auction, each Auction Bidder shall have provided to the Proposal Trustee, with a copy to the Companies, an executed and acknowledged copy of these Auction Rules and setting forth their designated representative and spokesperson.
6. The conditions for participating in the Auction setout herein are in addition to any other conditions provided in the SISP or otherwise provided by the Companies or the Proposal Trustee, as the case may be.

Auction Process

7. This Auction shall be conducted in accordance with the SISP Procedure and the terms set forth herein. To the extent there is any inconsistency between these Auction Rules and the SISP, these Auction Rules shall prevail.
8. The Auction shall commence at **10:00 a.m. (Calgary time) on Friday February 9, 2024**. The Auction shall be conducted virtually via Microsoft Teams (or equivalent virtual software). The Auction will be accessed via video link to be provided to all Auction Bidders by the Companies or its agents or advisors in advance of the Auction. The Auction shall continue thereafter until completed, subject to such adjournments as the Companies, in consultation with the Proposal Trustee, may consider appropriate.
9. All Auction Bidders shall log-in to the virtual Auction at least 15 minutes before the commencement of the Auction in order to address any potential technical issues and in order to confirm attendance. Any person attending at the Auction shall identify themselves by name and which Auction Bidder, or other party entitled to attend the Auction, they represent.
10. The Companies reserve the right to cancel or postpone the Auction, in consultation with the Proposal Trustee.
11. Except as otherwise set forth herein, the Companies may establish additional rules for conducting the Auction, provided that such rules are:
 - a. disclosed to each Auction Bidder;
 - b. designed, in the Companies' business judgment, to result in the highest and otherwise best offer;

- c. approved by the Proposal Trustee; and
 - d. not contrary to any material term set out herein.
12. Except as otherwise permitted in the Proposal Trustee's discretion, only the Companies, the Proposal Trustee, the Sales Agent, and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present at the Auction.
 13. Each Auction Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction and such spokesperson shall be identified to the Companies and the Proposal Trustee in writing prior to the commencement of the Auction.
 14. The Companies shall arrange for the actual bidding at the Auction to be transcribed or recorded.
 15. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding (each a "**Round**"), until the Proposal Trustee and the Companies have determined an Auction Bidder to be the Successful Bidder (as defined below). The Starting Bid and each subsequent bid shall be recorded in writing (each an "**Auction Bid**").
 16. The Proposal Trustee shall set the bid amount in each Round (the "**Round Bid Amount**") and each Auction Bidder shall advise the Proposal Trustee whether it is participating in that Round by bidding at the amount set by the Proposal Trustee for that Round. Auction Bidders who confirm their participation in a given Round by confirming their bid shall proceed to the next Round. At the end of each Round, the Proposal Trustee shall confirm the current highest bid, which shall carry over to the next Round and form the basis for the next Round Bid Amount.
 17. The Proposal Trustee shall alternate which Auction Bidder is to confirm their participation first in each Round. The Auction shall open at the Starting Bid Price with the Stalking Horse Bidder being the first party to confirm its participation in the opening Round.
 18. In the event an Auction Bidder delays a response or is nonresponsive to its participation in any given Round, the Proposal Trustee shall advise the Auction Bidder that they have two (2) minutes, or such other duration as determined by the Proposal Trustee, to confirm their participation in that Round. In the event the Auction Bidder does not provide a definitive response as to its participation in the given Round following the Proposal Trustee's timed warning, the Companies and the Proposal Trustee shall be at liberty to declare the other Auction Bidder the Successful Bidder, assuming the other Auction Bidder has signaled its participation in the Round.
 19. In each Round, the Round Bid Amount price will increase by a minimum incremental amount of \$100,000 (the "**Minimum Bid Increment**"), or such further amount as may be determined by the Companies and the Proposal Trustee in advance of the Round.

20. After each Round in which the Round Bid Amount reaches an incremental level of \$2,000,000.00 more than the Starting Bid¹, the Auction shall be automatically adjourned for 15-minutes, unless the Proposal Trustee, the Companies and each Auction Bidder's Authorized Representative (as identified below) agree to waive the adjournment. The Proposal Trustee shall record the time of the adjournment and the time at which the Auction Bidders must return to participate in the subsequent Round, or make a notation that the adjournment was waived by all parties.
21. The Companies reserve the right, in consultation with the Proposal Trustee, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Companies and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer(s) at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Companies with such additional evidence as the Companies, in their reasonable business judgment, may require in accordance with paragraph 41 of the SISP. If an adjournment period expires on a non-Business Day, the Auction will reconvene at a date and time set by the Proposal Trustee.
22. To the extent not previously provided in form satisfactory to the Companies and the Proposal Trustee, an Auction Bidder submitting an Auction Bid may be required by the Proposal Trustee, in its sole discretion, to provide written evidence (in the form of financial disclosure or credit quality support information reasonably acceptable to the Proposal Trustee), demonstrating such Auction Bidder's financial ability to pay the current Auction Bid.
23. If, in any Round, no new Auction Bid is made, the Companies and the Proposal Trustee may reduce the prevailing Round Bid Amount in that Round to an amount that is less than the Minimum Bid Increment.
24. The Auction shall be closed within 5 Business Days of the start of the Auction unless extended by the Companies, in consultation with the Proposal Trustee.
25. The Auction Bid submitted by an Auction Bidder shall not include any Bid Value Differential Amounts, which shall be payable in addition to the full amount of the Winning Bid.
26. If, in any round of bidding, only one Auction Bid is made, the Auction shall be closed.
27. At the close of the Auction, the Proposal Trustee, at its sole discretion and in consultation with the Companies and the Sales Agent, shall select the Auction Bid that is the highest and best bid (the "**Winning Bid**"), and will enter into a definitive agreement with Auction Bidder that submitted the Winning Bid (the "**Winning Bidder**"), substantially on the terms set out in the Transaction Documents.
28. The Winning Bid is irrevocable and is binding on that Auction Bidder if the Proposal Trustee determines in its sole discretion that such Auction Bidder is the Winning Bidder.

¹ \$15,100,000.00, \$17,100,000.00, etc.

29. After the Companies and the Winning Bidder have entered into the Transaction Documents, or such further and other agreements as the Companies, in consultation with the Proposal Trustee, deem appropriate for the transaction contemplated by the Winning Bid (the “**Transaction**”), the Companies shall apply to the Court for an Order approving the Transaction in accordance with the SISP. Any Transaction shall be conditional upon Court approval.
30. Notwithstanding anything to the contrary in these rules to this Auction or in the SISP, the Auction Bidder with the next highest or otherwise best bid at the Auction, as determined by the Companies, in consultation with the Proposal Trustee, will be designated as the backup bidder (the “**Backup Bidder**”, and such bid being the “**Backup Bid**”). The Backup Bidder shall be required to keep its Backup Bid open until the earlier of: i) two Business Days after the date of closing of the Transaction, and ii) the Outside Date.
31. In the event the Transaction fails to close by the Outside Date (or such further date as the Companies, in consultation with the Proposal Trustee, deem appropriate), the Companies may, at their discretion and so long as the Backup Bid remains open, enter into a definitive agreement with the Backup Bidder with respect to the transaction contemplated by Backup Bid and seek Court approval of the Backup Bid, in accordance with the terms of the SISP, as though the Backup Bid was the Winning Bid.

Acknowledgment and Agreement:

By execution of these Auction Rules, _____ hereby agrees to participate in the Auction and abide by the terms and conditions set out in the SISP and these Auction Rules.

Designated Authorized Representative:

At the Auction, _____ is hereby designated as the authorized representative and spokesperson of _____ having authority to bind the company pursuant to any Auction Bids made.

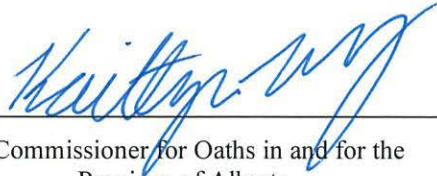
WITNESS

Company: Badger Mining Corporation
Name:
Title:

WITNESS

Company: JMAC Energy Services, LLC
Name:
Title:

This is Exhibit "H"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 26th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

Auction Rules for the sales process involving Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI Rockchain Inc., Terrashift Engineering Ltd., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively the “Companies”)

Defined Terms

1. All monetary references shall be in Canadian dollars, unless otherwise stated.
2. All capitalized terms used herein have the same meaning ascribed in the SISP Procedure for the Sales and Investment Solicitation Process of Athabasca Minerals Inc. et al approved pursuant to the order of the Honourable ACJ D.B. Nixon dated December 12, 2023, unless otherwise defined.
3. In the following auction procedure, which shall govern the conduct of the Auction:

“Auction” means the auction conducted pursuant to the SISP Procedure.

“Auction Bidder” means a Qualified Bidder participating in this Auction.

“Auction Rules” means the rules outlined in this document.

“Bid Value Differential” means the amount, if any, that, in advance of the commencement of the Auction, an Auction Bidder is notified by the Companies, following consultation with the Proposal Trustee, of additional cash consideration that must accompany any Auction Bid made by it at the Auction, in order to result in equivalent value being obtained for the Companies due to variations in the Auction Bidder’s respective Transaction Documents;

“Business Day” means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary.

“Outside Date” means March 30, 2024, or such other date as the Companies, the Proposal Trustee, and the Successful Bidder(s) may agree, acting reasonably.

“Proposal Trustee” means KSV Restructuring Inc. in its capacity as Proposal Trustee of the Companies.

“Proposal Proceedings” means the Proposal proceedings in respect of the Companies in Alberta Court of King’s Bench Court Bankruptcy Estate Matters 25-3009380, 25-30009384, 25-3009386, 25-3009385, 25-009379, 25-3009389, and 25-3009398.

“Sales Agent” means Canaccord Genuity Corp.

“SISP” means the Sales Investment and Solicitation Process approved pursuant to the Order of the Honourable Associate Chief Justice D.B. Nixon dated December 12, 2023 in these Proposal Proceedings.

“Starting Bid” means \$13,100,000.00.

“Transaction Documents” means the proposed definitive transaction agreements tendered by the Auction Bidders to the Sales Agent and the Companies pursuant to the SISP, together with such additional modifications as may be agreed upon by the Companies and the respective Auction Bidders.

Conditions of Participating in the Auction

4. Prior to **10:00 a.m. (Calgary Time) on Thursday February 8, 2024**, each Auction Bidder shall inform the Proposal Trustee and the Sales Agent in writing whether it intends to participate in the Auction.
5. Prior to the commencement of the Auction, each Auction Bidder shall have provided to the Proposal Trustee, with a copy to the Companies, an executed and acknowledged copy of these Auction Rules and setting forth their designated representative and spokesperson.
6. The conditions for participating in the Auction setout herein are in addition to any other conditions provided in the SISP or otherwise provided by the Companies or the Proposal Trustee, as the case may be.

Auction Process

7. This Auction shall be conducted in accordance with the SISP Procedure and the terms set forth herein. To the extent there is any inconsistency between these Auction Rules and the SISP, these Auction Rules shall prevail.
8. The Auction shall commence at **10:00 a.m. (Calgary time) on Friday February 9, 2024**. The Auction shall be conducted virtually via Microsoft Teams (or equivalent virtual software). The Auction will be accessed via video link to be provided to all Auction Bidders by the Companies or its agents or advisors in advance of the Auction. The Auction shall continue thereafter until completed, subject to such adjournments as the Companies, in consultation with the Proposal Trustee, may consider appropriate.
9. All Auction Bidders shall log-in to the virtual Auction at least 15 minutes before the commencement of the Auction in order to address any potential technical issues and in order to confirm attendance. Any person attending at the Auction shall identify themselves by name and which Auction Bidder, or other party entitled to attend the Auction, they represent.
10. The Companies reserve the right to cancel or postpone the Auction, in consultation with the Proposal Trustee.
11. Except as otherwise set forth herein, the Companies may establish additional rules for conducting the Auction, provided that such rules are:
 - a. disclosed to each Auction Bidder;
 - b. designed, in the Companies' business judgment, to result in the highest and otherwise best offer;

- c. approved by the Proposal Trustee; and
 - d. not contrary to any material term set out herein.
12. Except as otherwise permitted in the Proposal Trustee's discretion, only the Companies, the Proposal Trustee, the Sales Agent, and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present at the Auction.
 13. Each Auction Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction and such spokesperson shall be identified to the Companies and the Proposal Trustee in writing prior to the commencement of the Auction.
 14. The Companies shall arrange for the actual bidding at the Auction to be transcribed or recorded.
 15. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding (each a "**Round**"), until the Proposal Trustee and the Companies have determined an Auction Bidder to be the Successful Bidder (as defined below). The Starting Bid and each subsequent bid shall be recorded in writing (each an "**Auction Bid**").
 16. The Proposal Trustee shall set the bid amount in each Round (the "**Round Bid Amount**") and each Auction Bidder shall advise the Proposal Trustee whether it is participating in that Round by bidding at the amount set by the Proposal Trustee for that Round. Auction Bidders who confirm their participation in a given Round by confirming their bid shall proceed to the next Round. At the end of each Round, the Proposal Trustee shall confirm the current highest bid, which shall carry over to the next Round and form the basis for the next Round Bid Amount.
 17. The Proposal Trustee shall alternate which Auction Bidder is to confirm their participation first in each Round. The Auction shall open at the Starting Bid Price with the Stalking Horse Bidder being the first party to confirm its participation in the opening Round.
 18. In the event an Auction Bidder delays a response or is nonresponsive to its participation in any given Round, the Proposal Trustee shall advise the Auction Bidder that they have two (2) minutes, or such other duration as determined by the Proposal Trustee, to confirm their participation in that Round. In the event the Auction Bidder does not provide a definitive response as to its participation in the given Round following the Proposal Trustee's timed warning, the Companies and the Proposal Trustee shall be at liberty to declare the other Auction Bidder the Successful Bidder, assuming the other Auction Bidder has signaled its participation in the Round.
 19. In each Round, the Round Bid Amount price will increase by a minimum incremental amount of \$100,000 (the "**Minimum Bid Increment**"), or such further amount as may be determined by the Companies and the Proposal Trustee in advance of the Round.

20. After each Round in which the Round Bid Amount reaches an incremental level of \$2,000,000.00 more than the Starting Bid¹, the Auction shall be automatically adjourned for 15-minutes, unless the Proposal Trustee, the Companies and each Auction Bidder's Authorized Representative (as identified below) agree to waive the adjournment. The Proposal Trustee shall record the time of the adjournment and the time at which the Auction Bidders must return to participate in the subsequent Round, or make a notation that the adjournment was waived by all parties.
21. The Companies reserve the right, in consultation with the Proposal Trustee, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Companies and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer(s) at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Companies with such additional evidence as the Companies, in their reasonable business judgment, may require in accordance with paragraph 41 of the SISP. If an adjournment period expires on a non-Business Day, the Auction will reconvene at a date and time set by the Proposal Trustee.
22. To the extent not previously provided in form satisfactory to the Companies and the Proposal Trustee, an Auction Bidder submitting an Auction Bid may be required by the Proposal Trustee, in its sole discretion, to provide written evidence (in the form of financial disclosure or credit quality support information reasonably acceptable to the Proposal Trustee), demonstrating such Auction Bidder's financial ability to pay the current Auction Bid.
23. If, in any Round, no new Auction Bid is made, the Companies and the Proposal Trustee may reduce the prevailing Round Bid Amount in that Round to an amount that is less than the Minimum Bid Increment.
24. The Auction shall be closed within 5 Business Days of the start of the Auction unless extended by the Companies, in consultation with the Proposal Trustee.
25. The Auction Bid submitted by an Auction Bidder shall not include any Bid Value Differential Amounts, which shall be payable in addition to the full amount of the Winning Bid.
26. If, in any round of bidding, only one Auction Bid is made, the Auction shall be closed.
27. At the close of the Auction, the Proposal Trustee, at its sole discretion and in consultation with the Companies and the Sales Agent, shall select the Auction Bid that is the highest and best bid (the "**Winning Bid**"), and will enter into a definitive agreement with Auction Bidder that submitted the Winning Bid (the "**Winning Bidder**"), substantially on the terms set out in the Transaction Documents.
28. The Winning Bid is irrevocable and is binding on that Auction Bidder if the Proposal Trustee determines in its sole discretion that such Auction Bidder is the Winning Bidder.

¹ \$15,100,000.00, \$17,100,000.00, etc.

29. After the Companies and the Winning Bidder have entered into the Transaction Documents, or such further and other agreements as the Companies, in consultation with the Proposal Trustee, deem appropriate for the transaction contemplated by the Winning Bid (the “**Transaction**”), the Companies shall apply to the Court for an Order approving the Transaction in accordance with the SISP. Any Transaction shall be conditional upon Court approval.
30. Notwithstanding anything to the contrary in these rules to this Auction or in the SISP, the Auction Bidder with the next highest or otherwise best bid at the Auction, as determined by the Companies, in consultation with the Proposal Trustee, will be designated as the backup bidder (the “**Backup Bidder**”, and such bid being the “**Backup Bid**”). The Backup Bidder shall be required to keep its Backup Bid open until the earlier of: i) two Business Days after the date of closing of the Transaction, and ii) the Outside Date.
31. In the event the Transaction fails to close by the Outside Date (or such further date as the Companies, in consultation with the Proposal Trustee, deem appropriate), the Companies may, at their discretion and so long as the Backup Bid remains open, enter into a definitive agreement with the Backup Bidder with respect to the transaction contemplated by Backup Bid and seek Court approval of the Backup Bid, in accordance with the terms of the SISP, as though the Backup Bid was the Winning Bid.

Acknowledgment and Agreement:

By execution of these Auction Rules, Badger Mining Corporation hereby agrees to participate in the Auction and abide by the terms and conditions set out in the SISP and these Auction Rules.

Designated Authorized Representative:

At the Auction, Christopher Keliher is hereby designated as the authorized representative and spokesperson of Badger Mining Corporation having authority to bind the company pursuant to any Auction Bids made.


WITNESS

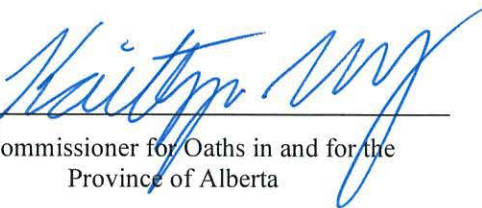
WITNESS



Company: Badger Mining Corporation
Name: Adam Katz
Title: Chief Commercial Officer - Advisory Team

Company: JMAC Energy Services, LLC
Name:
Title:

This is Exhibit "I"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 20th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

Auction Rules for the sales process involving Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI Rockchain Inc., Terrashift Engineering Ltd., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively the “Companies”)

Defined Terms

1. All monetary references shall be in Canadian dollars, unless otherwise stated.
2. All capitalized terms used herein have the same meaning ascribed in the SISP Procedure for the Sales and Investment Solicitation Process of Athabasca Minerals Inc. et al approved pursuant to the order of the Honourable ACJ D.B. Nixon dated December 12, 2023, unless otherwise defined.
3. In the following auction procedure, which shall govern the conduct of the Auction:

“**Auction**” means the auction conducted pursuant to the SISP Procedure.

“**Auction Bidder**” means a Qualified Bidder participating in this Auction.

“**Auction Rules**” means the rules outlined in this document.

“**Bid Value Differential**” means the amount, if any, that, in advance of the commencement of the Auction, an Auction Bidder is notified by the Companies, following consultation with the Proposal Trustee, of additional cash consideration that must accompany any Auction Bid made by it at the Auction, in order to result in equivalent value being obtained for the Companies due to variations in the Auction Bidder’s respective Transaction Documents;

“**Business Day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary.

“**Outside Date**” means March 30, 2024, or such other date as the Companies, the Proposal Trustee, and the Successful Bidder(s) may agree, acting reasonably.

“**Proposal Trustee**” means KSV Restructuring Inc. in its capacity as Proposal Trustee of the Companies.

“**Proposal Proceedings**” means the Proposal proceedings in respect of the Companies in Alberta Court of King’s Bench Court Bankruptcy Estate Matters 25-3009380, 25-30009384, 25-3009386, 25-3009385, 25-009379, 25-3009389, and 25-3009398.

“**Sales Agent**” means Canaccord Genuity Corp.

“**SISP**” means the Sales Investment and Solicitation Process approved pursuant to the Order of the Honourable Associate Chief Justice D.B. Nixon dated December 12, 2023 in these Proposal Proceedings.

“**Starting Bid**” means \$13,100,000.00.

“Transaction Documents” means the proposed definitive transaction agreements tendered by the Auction Bidders to the Sales Agent and the Companies pursuant to the SISP, together with such additional modifications as may be agreed upon by the Companies and the respective Auction Bidders.

Conditions of Participating in the Auction

4. Prior to **10:00 a.m. (Calgary Time) on Thursday February 8, 2024**, each Auction Bidder shall inform the Proposal Trustee and the Sales Agent in writing whether it intends to participate in the Auction.
5. Prior to the commencement of the Auction, each Auction Bidder shall have provided to the Proposal Trustee, with a copy to the Companies, an executed and acknowledged copy of these Auction Rules and setting forth their designated representative and spokesperson.
6. The conditions for participating in the Auction setout herein are in addition to any other conditions provided in the SISP or otherwise provided by the Companies or the Proposal Trustee, as the case may be.

Auction Process

7. This Auction shall be conducted in accordance with the SISP Procedure and the terms set forth herein. To the extent there is any inconsistency between these Auction Rules and the SISP, these Auction Rules shall prevail.
8. The Auction shall commence at **10:00 a.m. (Calgary time) on Friday February 9, 2024**. The Auction shall be conducted virtually via Microsoft Teams (or equivalent virtual software). The Auction will be accessed via video link to be provided to all Auction Bidders by the Companies or its agents or advisors in advance of the Auction. The Auction shall continue thereafter until completed, subject to such adjournments as the Companies, in consultation with the Proposal Trustee, may consider appropriate.
9. All Auction Bidders shall log-in to the virtual Auction at least 15 minutes before the commencement of the Auction in order to address any potential technical issues and in order to confirm attendance. Any person attending at the Auction shall identify themselves by name and which Auction Bidder, or other party entitled to attend the Auction, they represent.
10. The Companies reserve the right to cancel or postpone the Auction, in consultation with the Proposal Trustee.
11. Except as otherwise set forth herein, the Companies may establish additional rules for conducting the Auction, provided that such rules are:
 - a. disclosed to each Auction Bidder;
 - b. designed, in the Companies' business judgment, to result in the highest and otherwise best offer;

- c. approved by the Proposal Trustee; and
 - d. not contrary to any material term set out herein.
12. Except as otherwise permitted in the Proposal Trustee's discretion, only the Companies, the Proposal Trustee, the Sales Agent, and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present at the Auction.
 13. Each Auction Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction and such spokesperson shall be identified to the Companies and the Proposal Trustee in writing prior to the commencement of the Auction.
 14. The Companies shall arrange for the actual bidding at the Auction to be transcribed or recorded.
 15. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding (each a "**Round**"), until the Proposal Trustee and the Companies have determined an Auction Bidder to be the Successful Bidder (as defined below). The Starting Bid and each subsequent bid shall be recorded in writing (each an "**Auction Bid**").
 16. The Proposal Trustee shall set the bid amount in each Round (the "**Round Bid Amount**") and each Auction Bidder shall advise the Proposal Trustee whether it is participating in that Round by bidding at the amount set by the Proposal Trustee for that Round. Auction Bidders who confirm their participation in a given Round by confirming their bid shall proceed to the next Round. At the end of each Round, the Proposal Trustee shall confirm the current highest bid, which shall carry over to the next Round and form the basis for the next Round Bid Amount.
 17. The Proposal Trustee shall alternate which Auction Bidder is to confirm their participation first in each Round. The Auction shall open at the Starting Bid Price with the Stalking Horse Bidder being the first party to confirm its participation in the opening Round.
 18. In the event an Auction Bidder delays a response or is nonresponsive to its participation in any given Round, the Proposal Trustee shall advise the Auction Bidder that they have two (2) minutes, or such other duration as determined by the Proposal Trustee, to confirm their participation in that Round. In the event the Auction Bidder does not provide a definitive response as to its participation in the given Round following the Proposal Trustee's timed warning, the Companies and the Proposal Trustee shall be at liberty to declare the other Auction Bidder the Successful Bidder, assuming the other Auction Bidder has signaled its participation in the Round.
 19. In each Round, the Round Bid Amount price will increase by a minimum incremental amount of \$100,000 (the "**Minimum Bid Increment**"), or such further amount as may be determined by the Companies and the Proposal Trustee in advance of the Round.

20. After each Round in which the Round Bid Amount reaches an incremental level of \$2,000,000.00 more than the Starting Bid¹, the Auction shall be automatically adjourned for 15-minutes, unless the Proposal Trustee, the Companies and each Auction Bidder's Authorized Representative (as identified below) agree to waive the adjournment. The Proposal Trustee shall record the time of the adjournment and the time at which the Auction Bidders must return to participate in the subsequent Round, or make a notation that the adjournment was waived by all parties.
21. The Companies reserve the right, in consultation with the Proposal Trustee, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Companies and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer(s) at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Companies with such additional evidence as the Companies, in their reasonable business judgment, may require in accordance with paragraph 41 of the SISF. If an adjournment period expires on a non-Business Day, the Auction will reconvene at a date and time set by the Proposal Trustee.
22. To the extent not previously provided in form satisfactory to the Companies and the Proposal Trustee, an Auction Bidder submitting an Auction Bid may be required by the Proposal Trustee, in its sole discretion, to provide written evidence (in the form of financial disclosure or credit quality support information reasonably acceptable to the Proposal Trustee), demonstrating such Auction Bidder's financial ability to pay the current Auction Bid.
23. If, in any Round, no new Auction Bid is made, the Companies and the Proposal Trustee may reduce the prevailing Round Bid Amount in that Round to an amount that is less than the Minimum Bid Increment.
24. The Auction shall be closed within 5 Business Days of the start of the Auction unless extended by the Companies, in consultation with the Proposal Trustee.
25. The Auction Bid submitted by an Auction Bidder shall not include any Bid Value Differential Amounts, which shall be payable in addition to the full amount of the Winning Bid.
26. If, in any round of bidding, only one Auction Bid is made, the Auction shall be closed.
27. At the close of the Auction, the Proposal Trustee, at its sole discretion and in consultation with the Companies and the Sales Agent, shall select the Auction Bid that is the highest and best bid (the "**Winning Bid**"), and will enter into a definitive agreement with Auction Bidder that submitted the Winning Bid (the "**Winning Bidder**"), substantially on the terms set out in the Transaction Documents.
28. The Winning Bid is irrevocable and is binding on that Auction Bidder if the Proposal Trustee determines in its sole discretion that such Auction Bidder is the Winning Bidder.

¹ \$15,100,000.00, \$17,100,000.00. etc.

29. After the Companies and the Winning Bidder have entered into the Transaction Documents, or such further and other agreements as the Companies, in consultation with the Proposal Trustee, deem appropriate for the transaction contemplated by the Winning Bid (the "**Transaction**"), the Companies shall apply to the Court for an Order approving the Transaction in accordance with the SISP. Any Transaction shall be conditional upon Court approval.
30. Notwithstanding anything to the contrary in these rules to this Auction or in the SISP, the Auction Bidder with the next highest or otherwise best bid at the Auction, as determined by the Companies, in consultation with the Proposal Trustee, will be designated as the backup bidder (the "**Backup Bidder**", and such bid being the "**Backup Bid**"). The Backup Bidder shall be required to keep its Backup Bid open until the earlier of: i) two Business Days after the date of closing of the Transaction, and ii) the Outside Date.
31. In the event the Transaction fails to close by the Outside Date (or such further date as the Companies, in consultation with the Proposal Trustee, deem appropriate), the Companies may, at their discretion and so long as the Backup Bid remains open, enter into a definitive agreement with the Backup Bidder with respect to the transaction contemplated by Backup Bid and seek Court approval of the Backup Bid, in accordance with the terms of the SISP, as though the Backup Bid was the Winning Bid.

Acknowledgment and Agreement:

By execution of these Auction Rules, JMAC Energy Services LLC hereby agrees to participate in the Auction and abide by the terms and conditions set out in the SISP and these Auction Rules.

Designated Authorized Representative:

At the Auction, Jon McCreary is hereby designated as the authorized representative and spokesperson of JMAC Energy Services LLC having authority to bind the company pursuant to any Auction Bids made.

WITNESS

Teal Belward

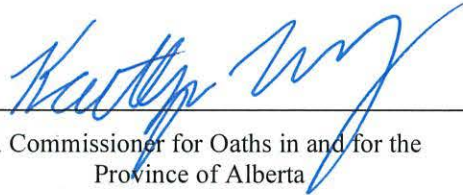
WITNESS

Company: Badger Mining Corporation
Name:
Title:

Jon McCreary

Company: JMAC Energy Services, LLC
Name: Jon McCreary
Title: CEO

This is Exhibit "J"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 26th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

From: [Michael Selnes](#)
To: [Jessica Cameron](#); [Douglas Nishimura](#); [Keliher, Christopher](#)
Cc: [Andrew Basi](#)
Subject: [EXT] Winning Bid
Date: February-09-24 12:43:45 PM

{CAUTION: This email originated from outside of Fasken. Exercise care before clicking links or opening attachments.}

As you are aware, Bennett Jones LLP represents KSV Restructuring Inc. in its capacity as the Proposal Trustee of Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI Rockchain Inc., Terrashift Engineering Ltd., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively the "**Companies**").

On February 9, 2024, the Proposal Trustee presided over an Auction pursuant to the Sales and Investment Solicitation Process pursuant to the order of the Honourable ACJ D.B. Nixon dated December 12, 2023. The auction was conducted pursuant to the Auction Rules approved in writing by both auction participants Badger Mining Corporation ("**Badger**") and JMAC Energy Services, LLC ("**JMAC**").

The Auction commenced at 10:00 am (MST) and concluded at approximately 11:40 am (MST). Both JMAC and Badger participated in the Auction. Bidding ended in Round 162, when only Badger made an Auction Bid for the Round Bid Amount of \$29,200,000.00.

Pursuant to paragraph 26 of the Auction Rules, Badger made the only Auction Bid in round 162 and therefore the Auction was closed.

Following the close of the Auction, the Proposal Trustee, in consultation with Companies and Sales Agent (Canaccord Genuity Corp.) has selected Badger as having made the Winning Bid, as defined in paragraph 27 of the Auction Rules. The Winning Bid is in the amount of \$29,200,00.00.

Pursuant to paragraph 27 of the Auction Rules, the Proposal Trustee understands that the Companies will be reaching out to Badger to enter into the definitive agreement as contemplated therein.

The Proposal Trustee notes that pursuant to paragraph 28 of the Auction Rules, Badger's Winning Bid is irrevocable and binding on Badger.

The Proposal Trustee further notes that pursuant to paragraph 30 of the Auction Rules, JMAC is designated the Backup Bidder. JMAC's Backup Bid is in the amount of \$29,100,000.00. The Proposal Trustee notes that JMAC is required to keep this Backup Bid open until the earlier of: i) two Business Days after the closing of the Transaction with Badger; or (ii) the Outside Date.

The Proposal Trustee appreciates all Auction Bidders efforts over the week to ensure the Auction proceeded as planned.

Regards,
Mike

Michael Selnes (he/him)

Associate, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7

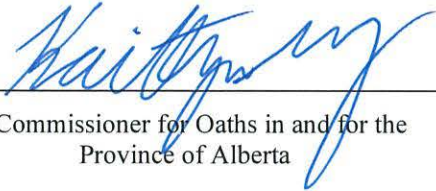
T. [403 298 3311](tel:4032983311) | F. [403 265 7219](tel:4032657219)



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This is Exhibit "K"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 28th day of
February, 2024


A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

SUBSCRIPTION AGREEMENT

BETWEEN:

ATHABASCA MINERALS INC.

- and -

BADGER MINING CORPORATION OR ITS AFFILIATE

Dated:

February 9, 2024

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Schedule "A" – Reverse Vesting Order

*Schedule "B" – Transferred Assets
Transferred Liabilities
Excluded Contracts
Retained Assets
Retained Liabilities
Retained Contracts*

Schedule "C" – Cure Costs

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT made as of February 9, 2024.

BETWEEN:

ATHABASCA MINERALS INC. (the “**Company**”)

- and -

BADGER MINING CORPORATION OR ITS AFFILIATE
(the “**Purchaser**”)

WHEREAS:

- A. The Company is an Alberta-based, publicly listed Alberta company with its Common Shares (as defined herein) listed on the TSX Venture Exchange under the symbol “AMI”;
- B. On November 13, 2023, the Company, TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively, the “**Companies**”) each filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended with the Office of the Superintendent of Bankruptcy (the “**Proposal Proceedings**”);
- C. KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”);
- D. On December 12, 2023, the Companies obtained an order from the Court of King’s Bench of Alberta (the “**Court**”) in the Judicial District of Calgary Alberta, which, among other things, approved the procedure for the sales and investment solicitation process of the Companies (the “**SISP Order**”);
- E. Further to the SISP Order, the Company and the Purchaser entered into negotiations for the subscription for and purchase of the Purchased Shares (as defined herein) by the Purchaser, to be completed through a series of transactions between the Company and the Purchaser to proceed by way of the Reverse Vesting Order (as defined herein);
- F. Subject to the conditions set forth in this Subscription Agreement and the issuance by the Court (as defined herein) of the Reverse Vesting Order (as defined herein), the Company wishes to issue to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- G. The Company shall effect a reorganization pursuant to the statutory procedure set out in Section 192 of the *Business Corporations Act* (Alberta) (“**ABCA**”), or Section 59(4) of the BIA (as defined below), as applicable, whereby, among other things, all existing Common Shares (as defined herein) issued and outstanding immediately prior to the

Closing Date (as defined herein) shall be deemed to be exchanged by the registered holders thereof, without any act or formality on their part, for consideration in the form of ResidualCo Shares (as defined herein) on the basis of one ResidualCo Share being issued for each Common Share then outstanding, following which the Common Shares so transferred, and all other Equity Interests, shall be cancelled, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Subscription Agreement (the “**Reorganization**”);

- H. At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company; and
- I. The Transactions (as defined herein) contemplated by this Subscription Agreement are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Subscription Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

- (a) “**ABCA**” has the meaning ascribed thereto in the Recitals;
- (b) “**Affiliate**” means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term “**control**” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;
- (c) “**Applicable Law**” means, in relation to any Person, property, transaction, event or other circumstance, any transnational, foreign or domestic, federal, provincial, territorial, state, local or municipal (or any subdivision of them) law (including common law and civil law), constitution, treaty, statute, rule, regulation, code, ordinance, principle of common law or equity rule, by-law (zoning or otherwise), official directive, order of Governmental Authorities (whether administrative, legislative, executive or otherwise, including any Securities Laws or requirements of stock exchanges and any consent decree or administrative order) or other requirement having the force of law, including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and

includes the provisions and conditions of any Permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;

- (d) **“Articles of Reorganization”** means the articles of reorganization of the Company in respect of the Reorganization required under Section 192(4) of the ABCA to be sent to the Registrar after the Reverse Vesting Order has been granted, giving effect to the Reorganization;
- (e) **“ASC Revocation Order”** means an Order or Orders of the Alberta Securities Commission, on its own behalf and to the extent necessary, on behalf of the Ontario Securities Commission and any other applicable securities regulator, authorizing the Company to cease to be a reporting issuer, effective on Closing;
- (f) **“Badger Credit”** means the amount of \$50,000 to be credited towards the Purchase Price as provided for in paragraph 15 of the SISP Order;
- (g) **“BIA”** means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time;
- (h) **“Bid Value Differential”** means such amount, not to exceed \$111,000, to be paid at Closing by the Purchaser to the Proposal Trustee on behalf of the Company, to satisfy any Terminated Employee Claims, if any, which shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the Closing Sequence, shall be discharged as against the Company and transferred to the ResidualCo;
- (i) **“Buildings and Fixtures”** means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the land or lands owned or controlled by the Companies or any of them;
- (j) **“Business”** means the business and operations carried on by the Companies as at the date of this Subscription Agreement;
- (k) **“Business Day”** means a day other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta or the State of Wisconsin;
- (l) **“Canadian Securities Laws”** means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;
- (m) **“Certificate of Reorganization”** means the certificate of reorganization to be issued by the Registrar for the Reorganization pursuant to Section 192(5) of the ABCA in respect of Articles of Reorganization;

- (n) **“Claim”** means any claim, action, cause of action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (o) **“Closing”** means the completion of the Transactions pursuant to this Subscription Agreement;
- (p) **“Closing Date”** the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 4 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (q) **“Closing Place”** means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (r) **“Closing Sequence”** has the meaning ascribed thereto in Section 3.3;
- (s) **“Common Shares”** means common shares in the capital of the Company;
- (t) **“Companies”** has the meaning ascribed thereto in the Recitals;
- (u) **“Company Shareholders”** means the registered holders of issued and outstanding Common Shares as of close of business on the day prior to the Closing Date;
- (v) **“Confidential Materials”** has the meaning ascribed thereto in Section 8.13;
- (w) **“Confidentiality Agreement”** means the non-disclosure and confidentiality agreement between the Companies and Badger Mining Corporation, dated December 19, 2023;
- (x) **“Court”** has the meaning ascribed thereto in the Recitals;
- (y) **“Cure Costs”** means amounts described in Schedule “C” hereto in respect of monetary defaults owing in connection with the Retained Contracts;
- (z) **“Deposit”** has the meaning ascribed thereto in Section 2.4;
- (aa) **“Disclaimer Liability”** has the meaning ascribed thereto in Section 6.14;
- (bb) **“Effective Time”** means 12:01 a.m. on the Closing Date;
- (cc) **“Employees”** has the meaning ascribed thereto in Section 6.7;
- (dd) **“Encumbrances”** means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), 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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order, the Reverse Vesting Order or any other Order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of Alberta, British Columbia or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system;

- (ee) **“Escrow Amount”** has the meaning ascribed thereto in Section 6.14;
- (ff) **“Estimated Employee Claims Amount”** has the meaning ascribed thereto in Section 6.7(e);
- (gg) **“Equity Interests”** includes, in respect of the Company, (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; and (iii) any warrants, options, convertible, exchangeable or exercisable securities (whether convertible, non-convertible, voting or nonvoting, whether preferred, common or otherwise), subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing;
- (hh) **“Excluded Contracts”** means those contracts, agreements, and commitments described in Schedule “B” hereto which shall be disclaimed or terminated by any one of the Companies prior to Closing;
- (ii) **“Governmental Authority”** means any federal, national, provincial, territorial, state, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (jj) **“GST”** means the goods and services tax payable pursuant to the GST Legislation;
- (kk) **“GST Legislation”** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (ll) **“Interim Period”** means the period from the date that this Subscription Agreement is entered into by the Parties through to Closing;

- (mm) “**JMAC**” means JMAC Energy Services LLC, a limited liability company subsisting under the laws of the State of Delaware;
- (nn) “**Losses**” means all losses, costs, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (oo) “**Material Adverse Effect**” means any fact or state of facts, circumstance, change, effect, occurrence or event which:
 - (i) either individually is or in the aggregate are, or individually or in the aggregate could reasonably be expected to be, material and adverse to the Business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), capitalization or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole; or
 - (ii) either individually or in the aggregate prevents, or individually or in the aggregate could reasonably be expected to prevent, the completion of the Transactions or the Company from performing its obligations under this Subscription Agreement in any material respect by the Outside Date; provided, however, that the bringing or filing of a motion, action, objection or other litigation by JMAC seeking to prohibit the closing of the Transactions shall not in and of itself constitute a Material Adverse Effect;
- (pp) “**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;
- (qq) “**Outside Date**” means March 30, 2024, or such other date as may be agreed upon between the Parties in writing;
- (rr) “**Parties**” means, collectively, all of the parties to this Subscription Agreement; and “**Party**” means a party to this Subscription Agreement;
- (ss) “**Permits**” means all authorizations, permits, decisions, determinations, judgments, directions, entitlements, licenses, orders, consents, approvals, notices, correspondence, directives, exemptions, registrations, rulings, advance rulings and certifications whether now existing or hereafter issued or obtained or required to be issued or obtained and which are or may be given or issued by any Governmental Authority;
- (tt) “**Person**” means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (uu) “**Proposal Proceedings**” has the meaning ascribed thereto in the Recitals;

- (vv) **“Proposal Trustee”** has the meaning ascribed thereto in the Recitals;
- (ww) **“Proposal Trustee’s Certificate”** means the certificate, substantially in the form attached as Schedule “A” to the Reverse Vesting Order, to be delivered by the Proposal Trustee in accordance with Section 4.5, and thereafter filed by the Proposal Trustee with the Court;
- (xx) **“Purchase Price”** has the meaning set out in Section 2.2;
- (yy) **“Purchase Price Balance”** has the meaning set out in Section 2.2;
- (zz) **“Purchased Shares”** means 1,000 Common Shares subscribed for by the Purchaser in accordance with the Reverse Vesting Order and this Subscription Agreement, representing all of the issued and outstanding Common Shares of the Company at the time of issuance;
- (aaa) **“Real Property”** means collectively all land or lands owned by or controlled by the Companies or any of them and all other Buildings and Fixtures;
- (bbb) **“Recitals”** means the preamble and the recitals to this Subscription Agreement;
- (ccc) **“Registrar”** means the Registrar of Corporations or a Deputy Registrar of Corporations appointed pursuant to Section 263 of the ABCA;
- (ddd) **“Reorganization”** has the meaning ascribed thereto in the Recitals;
- (eee) **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (fff) **“ResidualCo”** means a corporation to be formed in advance of Closing, for the purposes of (i) accepting the transfer of all Transferred Assets and Transferred Liabilities, as part of the Closing Sequence as further set out in Section 3.3 of this Subscription Agreement, and (ii) being added as an applicant in the Proposal Proceedings upon the completion of the Transactions contemplated herein;
- (ggg) **“ResidualCo Notes”** means one or more non-interest bearing promissory notes issued by the Company and/or Subsidiaries in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement with an aggregate principal amount equal to the Transferred Liabilities less the value of the Transferred Assets;
- (hhh) **“ResidualCo Shares”** means the common shares of ResidualCo;

- (iii) **“Retained Assets”** means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts, which shall be retained by the Company;
- (jjj) **“Retained Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto which shall be retained by the Company;
- (kkk) **“Retained Employees”** has the meaning ascribed thereto in Section 6.7;
- (lll) **“Retained Liabilities”** means those liabilities described in Schedule “B” hereto which shall be retained by the Company;
- (mmm) **“Reverse Vesting Order”** means an Order of the Court, in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the cancellation of all of the issued and outstanding Equity Interests, other than the Purchased Shares); (b) authorizes and directs the Company to file the Articles of Reorganization with the Registrar; and (c) upon the delivery of a copy of the Proposal Trustee’s Certificate to the Purchaser, among other things: (i) transfers all of the Companies’ right, title and interest in and to the Transferred Assets to ResidualCo; (ii) transfers all Transferred Liabilities to ResidualCo; (iii) releases and discharges the Companies from all of the Transferred Liabilities; and (iv) releases the Companies from the purview of the Proposal Proceedings and adds ResidualCo as an entity in the Proposal Proceedings;
- (nnn) **“Securities Laws”** means collectively, the Canadian Securities Laws and U.S. Securities Laws;
- (ooo) **“SISP Order”** has the meaning ascribed thereto in the Recitals;
- (ppp) **“Subscription Agreement”** means this subscription agreement between the Company and the Purchaser, including all Recitals and schedules attached hereto, and **“this Agreement”**, **“this Subscription Agreement”** **“herein”**, **“hereto”**, **“hereof”** and similar expressions mean and refer to this subscription agreement;
- (qqq) **“Subsidiaries”** means any subsidiary of the Company that has issued a ResidualCo Note in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement;
- (rrr) **“Target Closing Date”** means March 8, 2024, or such other date as may be agreed upon between the Parties in writing;
- (sss) **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, whether disputed or not, and any liability for the payment of any such amounts as a result

of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, amounts or refunds owing in respect of any form of COVID-19 economic support, health insurance and governmental pension plan premiums or contributions;

- (ttt) **“Tax Refunds”** means all refunds in respect of Taxes to which the Companies are entitled in respect of the period prior to Closing;
- (uuu) **“Tax Returns”** means all reports, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with any Taxes, including any amendment thereof, and whether in tangible or electronic form;
- (vvv) **“Terminated Employee Claims”** has the meaning ascribed thereto in Section 6.7;
- (www) **“Terminated Employees”** has the meaning ascribed thereto in Section 6.7(d);
- (xxx) **“Third Party”** means any individual or entity other than the Companies and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (yyy) **“Transactions”** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement or the Reverse Vesting Order;
- (zzz) **“Transfer Agent”** means TSX Trust Company;
- (aaaa) **“Transferred Assets”** means those assets, if any, described in Schedule “B” hereto which shall be transferred the Company, or the Companies, as applicable, to ResidualCo;
- (bbbb) **“Transferred Liabilities”** means those liabilities described in Schedule “B” hereto which shall be transferred by the Company, or Companies, as applicable, to ResidualCo; and
- (cccc) **“U.S. Securities Laws”** means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting all genders.

1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

Schedule “A” –	Form of Reverse Vesting Order
Schedule “B” –	Transferred Assets; Transferred Liabilities; Excluded Contracts; Retained Assets; Retained Liabilities and Retained Contracts
Schedule “C” –	Cure Costs

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

1.6 Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

1.7 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law or the Reverse Vesting Order, the term or condition of such

Applicable Law or the Reverse Vesting Order, as applicable, shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.8 Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, in consideration for the Purchase Price the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of and from all Claims, Losses and Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is: (i) \$29,200,000, (ii) the amount of the Expense Reimbursement (as defined in Appendix A to the SISP Order), (iii) any amounts payable pursuant to Section 6.7, (iv) any amounts payable pursuant to Section 6.14 (together with Sections 2.2(i), 2.2(ii), 2.2(iii) and 2.2(iv) hereof, the “**Purchase Price**”), and (v) the value of the Retained Liabilities. The Purchase Price shall be satisfied by: (i) the retention of the Deposit by the Company, (ii) application of the Badger Credit, and (iii) payment in cash by the Purchaser to the Company of an amount equal to the balance of the Purchase Price after the application of Sections 2.2(i), 2.2(ii), 2.2(iii) and 2.2(iv) hereof (the “**Purchase Price Balance**”).

2.3 Form of Payment

All payments to be made pursuant to this Subscription Agreement shall be in Canadian funds and shall be made by wire transfer.

2.4 Deposit

The Parties acknowledge that a deposit in the amount of \$1,320,000 has already been delivered by the Purchaser to the Proposal Trustee pending execution of this Subscription Agreement, and shall be released only in accordance with the provisions of this Section 2.4 (the “**Deposit**”). Until release, the Deposit shall be held by the Proposal Trustee in a non-interest-bearing trust account. In the event:

- (a) Closing occurs, the Deposit shall be paid to the Company at Closing as partial payment of the Purchase Price;
- (b) Closing does not occur by the Outside Date:

- (i) as a result of a breach of this Subscription Agreement by the Purchaser, and (A) the conditions set out in Sections 4.1 and 4.2 have been satisfied or waived, and (B) the Company is not in breach of any obligations hereunder, the Deposit shall be forfeited to the Company for the account of the Company;
- (ii) for any reason other than as set out in Section 2.4(b), the Deposit shall be returned to the Purchaser for the account of the Purchaser.

2.5 Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered as a result of Closing not occurring and the Company shall retain the Deposit pursuant to Section 2.4(b)(i) if such circumstances described therein arise. The Deposit shall constitute liquidated damages to the Company and not a penalty of Closing not occurring. For greater certainty, retention of the Deposit shall be the sole and exclusive remedy of the Company.

ARTICLE 3 CLOSING

3.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained prior to the Outside Date.

3.2 Effectiveness of Reverse Vesting Order

Subject to the other terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

3.3 Closing

Commencing at the Effective Time, each of the events set out below shall (and shall be deemed to) occur, except as otherwise expressly noted, sequentially in the following order, without any further authorization, act or formality (the “**Closing Sequence**”):

- (a) The Purchaser shall deliver the Purchase Price (for the subscription and purchase of the Purchased Shares by the Company) to the Proposal Trustee, on behalf of and for the benefit of the Company, as follows: (1) the delivery of the written direction as contemplated in Section 3.4(b)(i); and (2) the payment of the Purchase Price Balance to be paid in cash by wire transfer;
- (b) The Purchaser shall deliver the Escrow Amount, if applicable, pursuant to Section 6.14, to the Proposal Trustee;

- (c) The Terminated Employees shall be terminated by the Company or Companies, as applicable;
- (d) All legal and beneficial right, title and interest of the Companies in and to the Transferred Assets (which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Encumbrances attached to the Transferred Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;
- (e) Concurrently with Step 3.3(d) above, all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;
- (f) Concurrently with Step 3.3(e) above, the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
- (g) Each issued and outstanding Common Share held by a Company Shareholder immediately prior to the Closing Date shall be exchanged without any further act or formality thereof for consideration in the form of one ResidualCo Share for each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;
- (h) Each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order;
- (i) The Company shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with Section 2.1, free and clear of and from any and all Claims, Losses and Encumbrances;
- (j) The Retained Assets will be retained by the Company in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry

system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;

- (k) The Company shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by the Company to the Subsidiaries) using the Purchase Price. If the aggregate principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and the Company and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price then any remaining Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);
- (l) All directors of the Company immediately prior to the Closing Date shall be deemed to resign and Camille LeRouge, Michael C. Hess, Robert L. Brooks, and Cody Wickersheim shall be deemed to be appointed as directors of the Company;
- (m) The Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the SISP Order and all other orders of the Court granted in relation to the Proposal Proceedings;
- (n) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;
- (o) Pursuant to the Reverse Vesting Order or further Order of the Court, the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and
- (p) The Company shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which the Company is a reporting issuer.

3.4 Closing Deliveries

- (a) On the Closing Date, the Company shall deliver or cause to be delivered to the Purchaser:
 - (i) a true copy of the Reverse Vesting Order, as granted by the Court;

- (ii) a true copy of the Certificate of Reorganization;
 - (iii) a true copy of the TSX Venture Exchange bulletin confirming the delisting of the Common Shares;
 - (iv) a true copy of the ASC Revocation Order;
 - (v) a true copy of a joint direction of the Company and ResidualCo to the Transfer Agent directing the Transfer Agent to (A) transfer all Common Shares held by registered Company Shareholders as at the close of business on the Business Day prior to the Closing Date to ResidualCo, (B) issue one ResidualCo Share for each Common Share formerly held by each registered Company Shareholder immediately prior to the Closing Date, (C) cancel all of the formerly held issued and outstanding Common Shares and (D) issue the Purchased Shares to the Purchaser and provide evidence of same;
 - (vi) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections 4.2(a) and 4.2(c) have been satisfied; and
 - (vii) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions provided for in this Subscription Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.
- (b) On the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company:
- (i) a written direction to the Company to retain the Deposit and apply the Badger Credit as partial payment of the Purchase Price;
 - (ii) the Purchase Price Balance, and the Escrow Amount, if applicable, shall be paid to the Proposal Trustee on behalf of the Company;
 - (iii) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 4.3(a) and 4.3(c) have been satisfied; and
 - (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions.

ARTICLE 4 CONDITIONS OF CLOSING

4.1 Mutual Conditions

The respective obligations of the Purchaser and Company to complete the Transactions are subject to the satisfaction of, or compliance with, at or prior to the Closing Date, the following conditions precedent:

- (a) the Reverse Vesting Order shall have been granted and entered by the Court and shall not have been vacated, set aside, or stayed, and all conditions to the effectiveness of the Reverse Vesting Order shall have been satisfied or waived in accordance with the terms thereof, or will be satisfied and waived in accordance with the Closing;
- (b) on or before Closing, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Subscription Agreement; or (iii) the effect of varying, modifying or amending the Reverse Vesting Order without the consent of the Purchaser;
- (c) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing;
- (d) ResidualCo shall be incorporated; and
- (e) the Court shall not have granted or entered an order which confirms, orders, or otherwise states that JMAC is entitled to exercise its contractual right of first refusal in respect of the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of the State of North Dakota.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 4.1 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections 2.4, 8.12 and 8.15) shall automatically terminate without any further action on the part of either the Company or the Purchaser.

4.2 Purchaser's Conditions

The obligations of the Purchaser to purchase the Purchased Shares and complete the Transactions are subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true and correct in all material respects when made and shall remain true and correct as of the Closing Date or if made as of a date specified therein, as of such date;
- (b) the Company shall have executed and delivered or caused to be executed and delivered to the Purchaser at the Closing all documents contemplated by Section 3.4(a);
- (c) all covenants, obligations or agreements of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (d) the Company shall not have issued any new Common Shares or other securities of the Company, except as provided for in the Reverse Vesting Order and this Subscription Agreement; and
- (e) there shall not have been any Material Adverse Effect during the Interim Period.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.4, 8.12 and 8.15.

4.3 Company's Conditions

The obligations of the Company to sell the Purchased Shares and complete the Transactions are subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true and correct in all material respects when made and shall remain true and correct as of the Closing Date or if made as of a date specified therein, as of such date;
- (b) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 3.4(b);
- (c) all covenants, obligations or agreements of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (d) all amounts to be paid by the Purchaser to the Company at Closing, including the Purchase Price Balance, and the Escrow Amount, if applicable, shall have been paid to the Proposal Trustee, on behalf of the Company, in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.4, 8.12 and 8.15.

4.4 Efforts to Fulfil Conditions Precedent

The Purchaser and the Company shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

4.5 Proposal Trustee's Certificate

When the conditions to Closing set out in Sections 4.1, 4.2 and 4.3 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company, the Purchaser or their respective counsel will each deliver to the Proposal Trustee confirmation in writing that such conditions of Closing, as applicable, have been satisfied and/or waived and that the Parties are prepared for the Closing Sequence to commence (the “**Conditions Certificates**”). Upon receipt of the Conditions Certificates and the receipt of the Purchase Price Balance and the Escrow Amount, if applicable, the Proposal Trustee shall: (i) issue forthwith its Proposal Trustee's Certificate concurrently to the Company and counsel to the Purchaser, at which time the Closing will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Proposal Trustee's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and counsel to the Purchaser). In the case of: (i) and (ii) above, the Proposal Trustee will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Proposal Trustee will have no liability to the Company or the Purchaser as a result of filing the Proposal Trustee's Certificate.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Company

The Company makes only the following representations to the Purchaser and agrees that the Purchaser is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) Authorization, Validity and Binding Effect. Subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions and this Subscription Agreement has been duly executed and the Company and constitutes a legal, valid and binding obligation of Company enforceable against it in accordance with its terms;
- (b) Tax Matters.

- (i) The Company has made available to Purchaser for review originals or true and complete copies of: (A) material portions of income tax audit reports, statements of deficiencies, closing or other agreements or correspondence concerning assessments, reassessments or audits pursuant to which a Governmental Authority has proposed amendments to previously filed Tax Returns received by or on behalf of the Companies relating to Taxes; (B) any material federal, provincial, state, local or foreign income or franchise Tax Returns for the Companies for the Tax years ending 2021 and 2022; and (C) all material written communications to or from any Governmental Authority relating to the Taxes of the Companies over such period have been made available to Purchaser; and
- (ii) The Company has or will furnish Purchaser with originals or copies of all elections, designations or similar filings relating to Taxes of the Companies and any agreement or other arrangement in respect of Taxes or Tax Returns of the Companies that have effect for any period ending after the Closing Date;
- (c) Permits. Company has provided to Purchaser copies of all Permits relating to the assets, Business or operations of Companies. The Company has not been advised of any event occurring or circumstance existing which (with notice or lapse of time or both) may constitute or result in a violation of any such Permit except where such violation would not have a Material Adverse Effect. To the knowledge of the Company, no proceedings are pending or threatened, which could result in the revocation or limitation of any such Permit, and all steps have been taken and filings made on a timely basis with respect to each such Permit and its renewal, except where the failure to take such steps and make such filings would not have a Material Adverse Effect;
- (d) Books and Records. The Company has provided to Purchaser copies in their entirety of the financial books, records and accounts of Company; and
- (e) Employee Payroll Obligations. All Employee payroll and other statutory remittance obligations, including any amounts owing under the *Income Tax Act* (Canada), the *Canada Pension Plan* (Canada), and the *Employment Insurance Act* (Canada), are current.

5.2 Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) Organization. The Purchaser is a corporation registered and existing under the Applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on the Business as it is now being conducted;

- (b) Qualification. The Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) Authorization. The execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) No Conflict. The execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) Validity and Binding Effect. This Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms subject only to (i) obtaining the ASC Revocation Order and (ii) the granting of the Reverse Vesting Order;
- (f) Legal Effect. Other than (i) obtaining the ASC Revocation Order, and (ii) the granting of the Reverse Vesting Order, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement;
- (g) Funds Available. The Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;
- (h) Securities Law Matters.
 - (i) The Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;
 - (ii) The Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Company;

- (iii) The Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;
- (iv) The Purchaser represents that it is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, and/or that it meets one of the other exemptions under Canadian Securities Laws;
- (v) The Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian Securities Laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser’s ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian Securities Laws; and
- (vi) The Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment;
- (i) Compliance. The Purchaser is in compliance with all the requirements of all Governmental Authorities; and
- (j) Investment Canada Act. The Purchaser is a WTO Investor or a Trade Agreement Investor for the purposes of the Investment Canada Act RSC, 1985, c. 28 (1st Supp).

5.3 Limitation of Representations

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section 5.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an “as is, where is” basis as they exist as of Closing;
- (b) except as expressly stated in Section 5.1, none of the Company or ResidualCo or their respective Representatives is making, and the Purchaser is not relying on,

any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the Business of the Company, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;

- (c) except for the representations and warranties of the Company set forth in Section 5.1, none of the Company, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, Permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;
- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 5.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Subscription Agreement, and except for fraud on the part of the Company, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Company, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 5.1. Except as set forth above in this Section 5.3(f), such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of Section 5.3 shall survive and not merge on Closing.

ARTICLE 6 COVENANTS

6.1 Incorporation of ResidualCo

The Company shall coordinate the incorporation of ResidualCo before the Closing Date, which at incorporation shall have no issued and outstanding shares.

6.2 Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Target Closing Date.

6.3 Application for Reverse Vesting Order

As soon as practicable after the execution of this Subscription Agreement, the Company shall file with the Court a motion for the issuance of the Reverse Vesting Order. The Company shall diligently use their commercially reasonable efforts to seek the issuance and entry of the Reverse Vesting Order and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of the Reverse Vesting Order.

6.4 Court Materials

The Company shall provide the Purchaser and its Representatives with a reasonable opportunity to review and comment upon drafts of all material to be filed by the Company and its counsel with the Court in connection with the Transactions, prior to the service and filing of that material. The Company will ensure that all material filed with the Court in connection with the Transactions is consistent in all material respects with the terms of this Subscription Agreement. In addition, the Company will also provide legal counsel to the Purchaser on a timely basis with copies of any notice or other documents served on the Company or its legal counsel in respect of the application for the Reverse Vesting Order or any appeal therefrom.

6.5 Delisting from TSX

As soon as practicable after the execution of this Subscription Agreement, each of the Company and the Purchaser agree to cooperate with each other in taking, or causing to be taken, all actions necessary to delist the Common Shares from the TSX Venture Exchange.

6.6 ASC Revocation Order

As soon as practicable after the execution of this Subscription Agreement, the Company shall diligently use its commercially reasonable efforts to obtain the ASC Revocation Order.

6.7 Employee Matters

- (a) The Parties acknowledge that the Companies have provided the Purchaser with an up-to-date list of the names, positions and calculation of all severance or change-of-control entitlements of all of the Companies' employees, consultants and

contractors fulfilling an employee-like role (collectively, “**Employees**”) prior to the date hereof.

- (b) The Purchaser and Company agree to use commercially reasonable efforts to negotiate, in good faith: (a) the retention of the Employees by the Purchaser or, alternatively, (b) transition services agreements or new employment agreements with the Employees.
- (c) On or before Closing, the Purchaser shall designate in writing which Employees, if any, shall be retained by the Companies (the “**Retained Employees**”). If an Employee is designated as a Retained Employee, the Purchaser acknowledges and agrees that:
 - (i) the Companies shall retain the severance or termination obligations of the Retained Employees, if any, on or after Closing; and
 - (ii) the Companies shall retain the obligation to pay any accrued but unpaid payroll and remit any unremitted employment related statutory obligations, if any, owing to the Retained Employees for the current payroll period.
- (d) If an Employee is not designated by the Purchaser as a Retained Employee, the Companies shall terminate such Employees (collectively the “**Terminated Employees**”) immediately prior to or at Closing, and all liabilities owing to any such Terminated Employee in respect of such termination, including all claims of the Terminated Employee in the amount equal to the payment that such Terminated Employees would have received under the BIA, and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements of any kind (the “**Terminated Employee Claims**”), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the Closing Sequence, shall be discharged as against the Company and transferred to the ResidualCo.
- (e) Prior to Closing, the Proposal Trustee will provide an estimate of the Terminated Employee Claims (“**Estimated Employee Claims Amount**”), if any, to the Purchaser and will provide the Purchaser with any supporting documentation or calculations reasonably requested by the Purchaser which support such estimate, with copies of all materials provided to the Company.
- (f) On Closing, the Purchaser shall transfer the Estimated Employee Claims Amount, in an amount not to exceed the Bid Value Differential, to the Proposal Trustee, to be held by the Proposal Trustee pending the final valuation of any Terminated Employee Claims. For clarity, the Estimated Employee Claims Amount shall not be deemed or otherwise construed to be an admission of liability or acceptance of value of the Terminated Employee Claims, if any, arising from such termination.

- (g) If the final value of the Terminated Employee Claims, as determined by the Proposal Trustee in accordance with a claims administration process in ResidualCo:
 - (i) exceed the Estimated Employee Claims Amount,
 - (A) the Purchaser shall pay to the Proposal Trustee, in cash or by wire transfer, the difference between the Terminated Employee Claims and the Estimated Employee Claims Amount and such payment shall form part of the Purchase Price; provided the aggregate amount paid by the Purchaser for all Terminated Employee Claims shall not exceed the Bid Value Differential; and
 - (B) the Purchaser shall have no further obligation with respect to the Terminated Employee Claims.
 - (ii) be equal to the Estimated Employee Claims Amount,
 - (A) the Estimated Employee Claims Amount shall form part of the Purchase Price;
 - (B) the Proposal Trustee shall release the Estimated Employee Claims Amount to ResidualCo; and
 - (C) the Purchaser shall have no further obligation with respect to the Terminated Employee Claims,
 - (iii) be less than the Estimated Employee Claims Amount:
 - (A) an amount equivalent to the Terminated Employee Claims shall form part of the Purchase Price;
 - (B) the Proposal Trustee shall release an amount equal to the Terminated Employee Claims to ResidualCo;
 - (C) the Proposal Trustee shall return the balance of the Estimated Employee Claims Amount to the Purchaser; and
 - (D) the Purchaser shall have no further obligation with respect to the Terminated Employee Claims.
- (h) The Parties acknowledge and agree that all amounts owing to Employees, if any, arising from any change-of-control obligation, policy, or other entitlement, shall be a Transferred Liability, regardless of whether any such employee: (a) is terminated by the Companies, (b) is designated as a Retained Employee, or (c) enters into a new employment agreement or transition services agreement with the Purchaser or the Companies, as applicable.

- (i) Except as provided for in this Section 6.7, the Company shall not make any change in the salary, benefits or other forms of compensation payable to the Employees and shall not hire any additional Employees during the Interim Period; and
- (j) The Purchaser acknowledges and agrees that the information received pursuant to this Section 6.7 is “Confidential Information” as such term is defined in the Confidentiality Agreement and the Purchaser shall only be permitted to hold and use such information in compliance with the terms thereof.

6.8 Maintenance of Retained Assets and Continuation of the Business

During the Interim Period, the Companies shall use reasonable commercial efforts, subject to the SISP Order and the Reverse Vesting Order:

- (a) to continue and maintain the Business in substantially the same manner as conducted on the date of this Subscription Agreement;
- (b) to maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities;
- (c) to keep in full force and effect all existing insurance policies and give to the Purchaser notice of or present any claim made under any such insurance policies; and
- (d) pay or cause to be paid all costs and expenses relating to the Retained Assets which become due during the Interim Period,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution or file any undertaking with a Governmental Authority with respect to any liability management program or other program.

6.9 Consent of the Purchaser

Notwithstanding Section 6.8, the Companies shall not, during the Interim Period, without the written consent of the Purchaser acting reasonably:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets or the Business, except in respect of amounts which the Company has committed to expend in connection with the Prosvita Sand Project and the Montney In-Basin Project, which amounts shall not exceed \$50,000 and \$75,000, respectively, without the Purchaser’s prior written consent;
- (b) surrender, abandon, or disclaim any of the Retained Assets;
- (c) materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets;

- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof; or
- (e) take or refuse to take any action which could affect or otherwise alter the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of the State of North Dakota.

6.10 Licence Transfers

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser's sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

6.11 Payments in Respect of Transferred Assets

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset (including a Tax Refund), the recipient of such payment or other consideration shall promptly notify the Company and promptly pay and transfer (net of any out-of-pocket expenses payable by the Company, the Purchaser or any of their respective Affiliates in respect of such amounts, if any) such payment or other consideration to the Company, on behalf of ResidualCo. From and after Closing, the Company and the Purchaser shall provide reasonable cooperation to ResidualCo to enable ResidualCo to obtain the benefit of any Transferred Asset.

6.12 Payments in Respect of Cure Costs

The Cure Costs shall be paid by the Purchaser to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Purchaser and the relevant counterparty to a Retained Contract. All payments required to cure pre-filing monetary defaults in respect of any Retained Contract not specifically included in Schedule "C" hereto shall not be an obligation of or payable by the Purchaser, and such obligation shall be transferred to and paid by ResidualCo on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by ResidualCo and the relevant counterparty.

6.13 Agreement Regarding Fees

The Purchaser and the Companies hereby acknowledge and agree that each of them will be responsible for any and all fees (including any Taxes imposed on such fees) incurred by them in connection with the formulation, negotiation, submission, and finalization of this Subscription Agreement.

6.14 Disclaimer of Excluded Contracts

The Company or Companies, as applicable, shall, in consultation with the Proposal Trustee, either: (a) disclaim all Excluded Contracts in accordance with Section 65.11 of the BIA, or (b) terminate those Excluded Contracts, as applicable, on or before the Closing Date.

In the event a contract, agreement, lease (including leases or subleases in respect of real property) or other commitment is designated as an Excluded Contract by the Purchaser in writing prior to Closing, the Parties acknowledge and agree that:

- (a) any monetary obligation flowing from such disclaimer or termination, as determined pursuant to a claims process to be facilitated by the Proposal Trustee in accordance with the BIA, shall be a Transferred Liability (the “**Disclaimer Liability**”);
- (b) the Purchase Price shall increase by an amount equal to the Disclaimer Liability; and
- (c) on Closing, the Purchaser shall transfer \$500,000, or such lesser amount as the Purchaser and the Proposal Trustee may agree, acting reasonably, to the Proposal Trustee (the “**Escrow Amount**”), to be held by the Proposal Trustee in a non-interest bearing trust account, pending the final valuation of any claim or claims filed by a counterparty to a disclaimed or terminated contract; provided, however, that the Escrow Amount shall not be deemed or otherwise construed to be an estimate of the Disclaimer Liability, if any, arising from such disclaimer or termination.

In the event the Disclaimer Liability is determined by the Proposal Trustee to:

- (b) exceed the Escrow Amount,
 - (i) the Purchaser shall pay to the Proposal Trustee, in cash or by wire transfer, the difference between the Disclaimer Liability and the Escrow Payment, and such payment shall form part of the Purchase Price; and
 - (ii) the Purchaser shall have no further obligation with respect to the Disclaimer Liability.
- (c) be equal to the Escrow Amount,
 - (i) the Escrow Amount shall form part of the Purchase Price;
 - (ii) the Proposal Trustee shall release the Escrow Amount to ResidualCo; and
 - (iii) the Purchaser shall have no further obligation with respect to the Disclaimer Liability,
- (d) be less than the Escrow Amount:

- (i) an amount equivalent to the Disclaimer Liability shall form part of the Purchase Price;
- (ii) the Proposal Trustee shall release an amount equal to the Disclaimer Liability to ResidualCo;
- (iii) the Proposal Trustee shall return the balance of the Escrow Amount to the Purchaser; and
- (iv) the Purchaser shall have no further obligation with respect to the Disclaimer Liability.

ARTICLE 7 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

7.1 Company to Provide Access

Prior to Closing, the Company shall, subject to all contractual and fiduciary obligations of the Company, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession or control of the Company, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Company and ResidualCo from and against all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 7.1 shall survive the Closing Date indefinitely.

7.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the ResidualCo or the Proposal Trustee, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters, Claims, and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;

- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Company or any of them.

7.3 Maintenance of Information

Subject to Applicable Law, all of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

ARTICLE 8 GENERAL

8.1 Further Assurances

Each Party will, at the cost and expense of the requesting party, from time to time and at all times after Closing, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

8.2 Liability of the Company or ResidualCo

Other than as set out in Section 2.4, under no circumstances shall the Company or ResidualCo or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

8.3 Entire Agreement

Except for the SISP Order and the Reverse Vesting Order, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Subscription Agreement and, in the event of conflict, except for the SISP Order or the Reverse Vesting Order, the provisions of this Subscription Agreement shall prevail. In the event that Closing occurs, except for the SISP Order and the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

8.4 Governing Law

This Subscription Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the proceedings bearing Alberta Court of King's Bench Court Action No. 25-3009380. The Parties irrevocably attorn and submit

to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

8.5 Assignment and Enurement

Excepting an assignment in whole of this Subscription Agreement from the Purchaser to an Affiliate of the Purchaser, this Subscription Agreement nor any of the rights or obligations under this Subscription Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

8.6 Time of Essence

Time is of the essence in this Subscription Agreement.

8.7 Notices

The addresses of the Parties for delivery of notices hereunder shall be as follows:

Company: Athabasca Minerals Inc.
407 2 Street SW, Suite 1730
Calgary, AB T2P 2Y3

Attention: Dana Archibald, Chief Executive Officer
Email: dana.archibald@athabascaminerals.com

With a copy to its legal counsel at:

Fasken Martineau DuMoulin LLP
Suite 3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Attention: Robyn Gurofsky / Jessica Cameron
Email: rgurofsky@fasken.com / jcameron@fasken.com

Purchaser: Badger Mining Corporation
409 South Church Street, Berlin, WI 54923
(920) 361-2388

Attention: Victoria Berenz
Email: vberenz@badgerminingcorp.com

With a copy to its legal counsel at:

Blake, Cassels & Graydon LLP
855 2 St SW Suite 3500,

Calgary, AB T2P 4J8

Attention: Linc Rogers / Daniel McLeod / Christopher Keliher
Email: linc.rogers@blakes.com / daniel.mcleod@blakes.com
christopher.keliher@blakes.com

and

Godfrey Kahn S.C.
200 South Washington Street, Suite 100
Green Bay, WI 54301

Attention: Timothy McCoy / Nicholas Hahn
Email: Tmccoy@gklaw.com / NHahn@gklaw.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered; or
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

8.8 Invalidity of Provisions

In case any of the provisions of this Subscription Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

8.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall

take effect or be binding upon that Party unless the waiver is expressed in writing, including by way of-email, under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

8.10 Amendment

This Subscription Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized Representative of each Party.

8.11 Survival

Other than those representations, warranties, covenants or other agreements which by their terms contemplate performance after Closing (including those set forth in Article 6) or unless otherwise expressly provided in this Subscription Agreement, the representations, warranties, covenants and other agreements contained in this Subscription Agreement shall not survive Closing.

8.12 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement), or (ii) in connection with obtaining the Reverse Vesting Order.

8.13 Sealing Order

The Company may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Company or the Proposal Trustee containing the financial and other confidential details of these Transactions (the “**Confidential Materials**”), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Company, if granted, only the judge presiding over the Proposal Proceedings, the Purchaser and their respective Representatives shall have access to the Confidential Materials and the confidential information contained therein.

8.14 Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or

- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 4.1, 4.2 or 4.3, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to confidentiality (Section 8.12) and the use of personal information (Section 8.15), and the Deposit shall be addressed in accordance with Section 2.4.

8.15 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and
- (c) the Purchaser's obligations set forth in this Section 8.15 shall survive the Closing Date indefinitely.

8.16 Directors

- (a) At Closing, Camille LeRouge, Michael C. Hess, Robert L. Brooks, and Cody Wickersheim shall be the directors of the Company and all other prior directors shall be deemed to have resigned effective at Closing.

(Remainder of page intentionally left blank)

8.17 Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Subscription Agreement as of the date first above written.

ATHABASCA MINERALS INC.

DocuSigned by:
Per: Dana Archibald
108CB02A0DC144E...
Name: Dana Archibald
Title: Chief Executive Officer

BADGER MINING CORPORATION

Per: Adam Katz
Name: Adam Katz
Title: Chief Commercial Officer

THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED FEBRUARY 9, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Form of Reverse Vesting Order

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER
COURT

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

JUDICIAL CENTRE

CALGARY

MATTER

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
ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

APPLICANTS

ATHABASCA MINERALS INC., AMI SILICA
INC., AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT ENGINEERING
LTD., 2132561 ALBERTA LTD., and 2140534
ALBERTA LTD.

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP

Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

DATE ON WHICH ORDER WAS PRONOUNCED:

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER:

UPON 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, approving the reverse vesting share transaction (the “**Transaction**”) in respect of AMI contemplated by the Subscription Agreement between AMI and [REDACTED] (the “**Purchaser**”) dated [REDACTED] (the “**Subscription Agreement**”), and attached as Exhibit [REDACTED] to the affidavit of [REDACTED] sworn [REDACTED] (the “**Affidavit**”);

AND UPON HAVING READ the within Notice of Application, the [REDACTED] Affidavit and the [REDACTED] Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “**Proposal Trustee**”) dated [REDACTED] (the “**Report**”), the Affidavit of Service of Kim Picard, sworn [REDACTED], the Order of this Court granted on December 12, 2023 (the “**First Order**”), and the other pleadings previously filed in the within proposal proceedings;

AND UPON HEARING the submissions of counsel for the Companies, the Proposal Trustee, the Purchaser, and such other counsel in attendance at the hearing of this application:

IT IS HEREBY ORDERED THAT:

SERVICE

1. Service of the notice of this application for this Order and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and the time for service of this application is abridged to that actually given and this application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement and the First Order, as applicable.

APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription

Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.

4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of AMI proceeding with the Transactions, and no shareholder or other approval shall be required in connection therewith.

REORGANIZATION

5. Subject to the terms of the Subscription Agreement, upon delivery of a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule "A" hereto (the "**Proposal Trustee's Certificate**"), the following, among other things, shall occur and be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Subscription Agreement:
 - a) the Purchaser shall deliver the Purchase Price (for the subscription and purchase of the Purchased Shares by AMI), and the Escrow Amount, if applicable, to the Proposal Trustee, on behalf of and for the benefit of AMI, and the Purchase Price shall be dealt with in accordance with the Closing Sequence in the Subscription Agreement;
 - b) the Terminated Employees shall be terminated by AMI or the Companies, as applicable;
 - c) all directors of AMI immediately prior to the Closing Date shall be deemed to resign and the new director named on the Subscription Agreement shall be deemed to be appointed as sole director of AMI;
 - d) each issued and outstanding Common Share held by a Company Shareholder immediately prior to the Closing Date shall be exchanged without any further act or formality thereof for consideration in the form of one ResidualCo Share for

each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;

- e) each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order; and
 - f) AMI shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with the Subscription Agreement, free and clear of and from any and all Claims, Losses and Encumbrances.
6. The Purchaser and AMI, in completing the Transactions, are authorized to:
- a) execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and
 - b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.
7. The Proposal Trustee may rely on any documents, assurances, or written notices, from AMI, the Companies, and the Purchaser, as applicable, regarding the fulfillment of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Proposal Trustee's Certificate following the receipt of such document, assurance, or written notice.

8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 (“**ABCA**”) shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription Agreement, filed by AMI, and the effective date for any certificate or authorization issued by the Registrar shall be the date of Closing.
9. The Purchaser, the Companies, and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Reorganization, including, without limitation, the issuance of the Purchased Shares, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Reorganization.
10. This Order shall constitute the only authorization required by the Purchaser, the Companies, or ResidualCo to proceed with the Transaction, including, without limitation, the Reorganization and, except as specifically provided in the Subscription Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction in respect of the Companies is required for the due execution, delivery and performance by the Purchaser, the Companies and by ResidualCo of the Subscription Agreement and the completion of the Transaction.

VESTING OF ASSETS AND LIABILITIES

11. Subject to the terms of the Subscription Agreement, upon delivery of the Proposal Trustee’s Certificate, the following, among other things, shall occur and be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Subscription Agreement:

- a) all legal and beneficial right, title and interest of the Companies in and to the Transferred Assets (which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Encumbrances attached to the Transferred Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;
- b) all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;
- c) the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
- d) the Retained Assets will be retained by AMI in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- e) AMI shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by AMI to the Subsidiaries) using the Purchase Price. If the aggregate

principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and AMI and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price then any remaining Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);

- f) the Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the First Order and all other Orders of this Court granted in relation to the Proposal Proceedings;
- g) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;
- h) the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and
- i) AMI shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which AMI is a reporting issuer.

12. As of the Effective Time:

- a) AMI shall continue to hold all right, title and interest in and to the Retained Assets and Retained Contracts, free and clear of all Claims, Losses and Encumbrances other than the Retained Liabilities; and
- b) AMI shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.

13. For greater certainty, any person that, prior to the Effective Time, had a Claim, Loss, or Encumbrance other than a Retained Liability against the Companies or their assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim, Loss, or Encumbrance against or in respect of the Companies or the Retained Assets, but shall have an equivalent Claim, Loss, or Encumbrance, as applicable, against: (a) the Transferred Assets, and (b) all amounts received by ResidualCo in satisfaction of the ResidualCo Notes (together, the “**ResidualCo Assets**”), to be administered by the Proposal Trustee in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim, Loss, or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim, Loss, or Encumbrance of any Person as against the ResidualCo Assets to be administered by the Proposal Trustee in ResidualCo.

14. For greater certainty, from and after the Effective Time, all contracts, leases, licenses, and agreements to which the Companies are a party upon delivery of the Proposal Trustee’s Certificate will be and shall remain in full force and effect upon and following delivery of the Proposal Trustee’s Certificate and no individual firm, corporation, governmental body, agency, or any other entity (collectively a “**Person**”) who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform, or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution, or other remedy) or make any demand under or in respect of any such arrangement, and no automatic termination will have any validity or effect, by reason of:
 - a) the insolvency of the Companies or the fact that the Companies sought or obtained relief under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”);

 - b) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings;

- c) any transfer or assignment, or any change of control of Companies arising from the implementation of the Subscription Agreement, the Transaction, or the provisions of this Order; or
 - d) any event that occurred on or prior to the delivery of the Proposal Trustee's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Companies).
15. Notwithstanding paragraph 13, all cure costs shall be paid by the Purchaser or ResidualCo, as applicable and as set out in the Subscription Agreement, to the relevant counterparty to a Retained Contract, on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Purchaser or ResidualCo, as applicable, and the relevant counterparty to a Retained Contract.
16. From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims, Losses and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.
17. Upon the delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transactions, and to discharge and release all Claims, Losses and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RESIDUALCO MATTERS

18. [●] (the “**First Director**”) is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.
19. Notwithstanding Section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.
20. The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.
21. ResidualCo shall be deemed to be the former employer of any former employees of AMI or the Companies who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*. For greater certainty, the Terminated Employee Claims shall be and constitute Transferred Liabilities which, pursuant to this Order and the Closing Sequence, shall be discharged as against AMI and transferred to ResidualCo.
22. The administration of ResidualCo shall remain subject to the Proposal Trustee’s appointment and oversight, and this Court’s oversight and these proposal proceedings.
23. Following the satisfaction and discharge of all Transferred Liabilities, all outstanding ResidualCo Shares shall be cancelled for either: (i) no consideration; or (ii) in the event the Transferred Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, such amounts as determined by the Proposal Trustee in its sole discretion. Following the foregoing, all such ResidualCo Shares together with any agreement, contract, plan, indenture, deed,

certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of ResidualCo shall be deemed terminated and cancelled in accordance with and pursuant to the this Order. The record date for such payment shall be set as the date of granting of this Order.

24. In addition to and without limiting the rights and protections afforded to the Proposal Trustee pursuant to the BIA, the First Order, and any subsequent Order granted by this Court in the within proceedings, the Proposal Trustee and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering ResidualCo, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Proposal Trustee pursuant to the First Order, any further Order granted in these proceedings or under the BIA shall continue to apply.

RELEASES AND OTHER PROTECTIONS

25. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:
- a) the Transferred Assets;
 - b) any and all Claims, Losses or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - c) the insolvency of the Companies prior to the Effective Time;
 - d) the commencement or existence of the notice of intention proceedings; or

- e) the completion of the Transactions.
26. From and after the Effective Time, the Purchaser and the Companies shall be released from all Claims, Losses and Encumbrances with respect to any Taxes of, in respect of, or that relate to, the Companies, including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Companies (including their Affiliates and any predecessor corporations) pursuant to Sections 160 and 160.01 of the *Income Tax Act* (Canada) and Section 325 of the GST Legislation and including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Companies; provided, as it relates to the Purchaser and the Companies, such release shall not apply to any Taxes in respect of the business and operations conducted by the Companies after the Effective Time. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes or obligations in respect thereof that are transferred to ResidualCo.
27. From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, and (d) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is

determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.

28. Other than as provided for in the Subscription Agreement, no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these proposal proceedings or ResidualCo, except with prior leave of this Court on not less than fifteen (15) days' prior written notice to the applicable Released Party and upon further order security, as security for costs, the full indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

MISCELLANEOUS MATTERS

29. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), AMI and the Companies are authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Companies' records pertaining to past and current employees of the Companies. The Purchaser shall maintain and protect the privacy of such information in accordance with Applicable Law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by AMI prior to the Effective Time.
30. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee's Certificate forthwith after delivery thereof to the Purchaser.
31. Notwithstanding:
 - a) the pendency of these proceedings;
 - b) any application for a bankruptcy Order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership Order issued pursuant to any such application; or
 - c) the provisions of any federal or provincial statute,

the execution of the Subscription Agreement and the implementation of the Transactions shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Companies and shall not be void or voidable by creditors of ResidualCo or the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

32. Following the Effective Time, the style of cause of these proposal proceedings shall be hereby amended by being deleted and replaced in its entirety by the following:

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 **RESIDUALCO**

33. The Companies, the Purchaser, the Proposal Trustee, and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.
34. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Subscription Agreement and all amendments thereto, in connection with any dispute involving the Companies or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Companies or ResidualCo related in any way to the Transactions.
35. This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, including the State of Wisconsin, United States, and the State of North Dakota, United States, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the

Proposal Trustee 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 and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.

36. Service of this Order may be effected by facsimile, electronic mail, personal delivery, registered mail or courier.

**Justice of the Court of King's Bench of
Alberta**

Schedule "A" - Form of Proposal Trustee's Certificate

COURT FILE NUMBER & **25-3009380**
BANKRUPTCY ESTATE
NUMBER

COURT COURT OF KING'S BENCH OF
ALBERTA, IN BANKRUPTCY &
INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER 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 ATHABASCA
MINERALS INC., AMI SILICA INC.,
AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT

Clerk's Stamp

ENGINEERING LTD., 2132561
ALBERTA LTD., and 2140534 ALBERTA
LTD.

DOCUMENT

Proposal Trustee's Certificate

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP
Attn: Robyn Gurofsky / Jessica Cameron
3400 First Canadian Centre
350-7 Avenue SW
Calgary, AB T2P 3N9
Telephone: (403) 261-9469/261-9468
Facsimile: (403) 261-5351
Email: rgurofsky@fasken.com / jcameron@fasken.com
File No. 318938.00024

RECITALS

- A. On November 13, 2023, 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**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal trustee of the Companies’ within Proposal Proceedings (and in such capacity the “**Proposal Trustee**”).
- B. Pursuant to an Order of the Honourable _____ of the Alberta Court of King’s Bench, Judicial District of Calgary (the “**Court**”) dated _____, 2024 (the “**Transaction Approval Order**”), the Court approved the transactions contemplated by the Subscription Agreement dated _____, 2024 (the “**Subscription Agreement**”) between AMI and ■ (the “**Purchaser**”).

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Shares payable on the Closing Date and the Escrow Amount, if applicable, pursuant to the Subscription Agreement and the Transaction Approval Order;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by AMI and/or the Purchaser, as the case may be; and
3. The Transactions contemplated by the Subscription Agreement and the Transaction Approval Order have been completed to the satisfaction of the Proposal Trustee.

This Certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

**KSV Restructuring Inc., in its capacity as
Proposal Trustee of and not in its personal
or corporate capacity**

Per: _____

Name: Andrew Basi

Title: Managing Director

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED FEBRUARY 9, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, means:

- any asset designated as a Transferred Asset by the Purchaser in writing to the Company and the Proposal Trustee prior to the closing of the Transaction.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, means, unless otherwise designated by the Purchaser as a Retained Liability, all obligations or liabilities of any nature and kind owed by the Company or Companies, as applicable, including but not limited to all unsecured debt or secured debt wheresoever and howsoever arising, including by operation of the BIA, court order, or other Applicable Law. For greater certainty, but not to limit the generality of the foregoing, the Transferred Liabilities shall include, but is not limited to:

- funded indebtedness;
- promissory notes (other than the ResidualCo Notes) issued by the Companies;
- operating liabilities and Taxes related to the Transferred Assets;
- liabilities of the Companies for Taxes arising prior to or on the Closing Date, howsoever arising, excepting any Taxes specifically designated as a Retained Liability and any Taxes arising as a result of this Transaction;
- trade claims, trade payables or other unsecured claims, including any cure cost not explicitly set out in Schedule “C” hereto, or other obligations owing in connection with the Retained Contracts;
- liabilities relating to any change of control provision that may arise in connection with any change of control contemplated by the Transactions, including with respect to any change of control obligations arising owed to the Employees, regardless of whether any such employee: (a) is terminated by the Companies, (b) is designated as a Retained Employee, or (c) enters into a new employment agreement or transition services agreement with the Purchaser or the Companies, as applicable;

- liabilities associated with shareholder or other loans to the Companies;
- the Terminated Employee Claims as well as any payroll or other employment related statutory obligations accrued prior to Closing in respect of the Terminated Employees;
- except as provided for in Section 6.14, Claims or Losses arising from the Excluded Contracts, wheresoever and howsoever arising, including with respect to any Claims or Losses arising from the disclaimer or termination of the Excluded Contracts;
- liabilities or obligations arising from the SISP Order and any subsequent order of the Court, including but not limited any liability or obligations secured by the following:
 - the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
 - the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- Claims or Losses of any kind or nature arising on or before the Effective Date.
- Accrued but unpaid payroll and unremitted employment related statutory obligations, if any, owing to the Retained Employees, other than amounts described in Section 6.7(c)(ii).

Excluded Contracts

The Excluded Contracts, being those contracts, leases or agreements to be disclaimed and/or otherwise terminated by the Company, or Companies, includes:

- any contract, agreement, lease, or commitment designated as an Excluded Contract by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Purchaser, means, unless otherwise designated by the Purchaser, all assets of every nature and kind whatsoever owned,

controlled, or beneficially held by the Company or the Companies, as applicable, including but not limited to:

- the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of North Dakota;
- all cash and cash equivalents held immediately prior to closing;
- all accounts receivable, notes receivable, and other debts due or accruing due to the Company or Companies;
- all inventory;
- all intellectual property, including patents, trademarks, copyrights, tradenames, internet domain names, industrial designs, trade secrets and other proprietary information;
- all goodwill and other intangible assets;
- all Real Property;
- all books and records of the Companies, including minute books, books of account, ledgers, general, financial and accounting records, Tax Returns and other records in the possession and control of the Companies or the Proposal Trustee, but in each case excludes all books and records in respect of the Transferred Assets and Transferred Liabilities, and excludes any email correspondence of the Companies (including any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;
- the Companies' bank accounts and all agreements related thereto;
- all regulatory and license attributes of the Companies;
- including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;
- letters of intent, nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements (other than any employment agreements);
- all shares of capital stock or other equity interests in any Affiliate of the Company;
- any intercompany indebtedness or claim owing to the Company by an Affiliate of the Company;
- all organizational documents, corporate books and records, income tax returns and the corporate seal of the Company;

- any records that are required by law to be retained by the Companies;
- all computers, computer servers, and websites;
- all office equipment;
- all tax attributes, if any, of the Companies inherent to them, including all rights related to former Tax Returns, Tax Refunds (other than in respect of the Transferred Assets), and non-capital loss balance carry forwards;
- all current and prior director and officer insurance policies of the Company and all rights of any nature with respect thereto running in favor of the Company;
- any and all rights of the Company or Companies, as applicable, under this Subscription Agreement and the Reverse Vesting Order;
- all rights, Claims, Losses, Encumbrances, or causes of action by, on behalf of, or held beneficially for the Company or Companies, as applicable, against any Person;
- all equity interests or other similar investments held by the Company or Companies, as applicable; and
- without limiting the foregoing, any other asset designated as a Retained Asset by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transaction.

Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Company, from and after the Closing Time, means:

- obligations in connection with nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements to which the Companies are a party;
- any and all regulatory, environmental and government liabilities related to the Lands and Buildings and Fixtures;
- all operating liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- income tax liabilities in respect of the Company's 2023 taxation year arising from (a) the disposition of certain assets in 2023 pursuant to the Offer to Purchase and Agreement for the Purchase and Sale of Assets between the Company and an

arm's length party closing dated June 23, 2023; and (b) the Settlement Agreement dated October 2023 between the Company and a supplier. For greater certainty, no other Taxes shall be retained by the Companies, all of which shall be transferred to ResidualCo as part of the Transferred Liabilities (excepting any Taxes arising as a result of this Transaction);

- Taxes arising as a result of this Transaction;
- obligations arising in connection with Retained Contracts and Permits;
- any intercompany indebtedness or claim owing to an Affiliate of the Company;
- any other liability or obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to Closing; and
- Amounts owing for unpaid payroll and unremitted employment related statutory obligations, if any, owing to the Retained Employees, as described in Section 6.7(c)(ii).

Retained Contracts

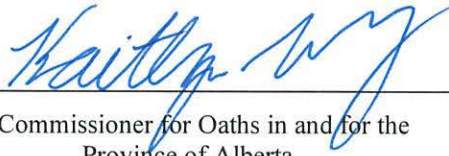
The Retained Contracts, being those contracts to be retained by the Company through operation of the Reverse Vesting Order, means:

- each and every contract, agreement, and commitment held by the Company, or Companies, as applicable, in force immediately prior to the date of the Subscription Agreement, unless otherwise designated by the Purchaser.

THE FOLLOWING COMPRISES SCHEDULE “C” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED FEBRUARY 9, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Contract Counterparty/Project	Cure Cost (\$CAD)
799462 Alberta Ltd.	\$40,000.00
Sierra Geological Corp.	\$40,000.00
102004623 Saskatchewan Inc.	\$40,000.00
Firebag Sand Resource	\$20,851.65

This is Exhibit "L"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 20th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

**OPERATING AGREEMENT
OF
AMI SILICA LLC**

ARTICLE I

DEFINITIONS

The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) “Articles of Organization” shall mean the Articles of Organization of AMI SILICA LLC as filed with the Secretary of State of North Dakota as the same may be amended from time to time.

(b) “Board of Governors” or “Board” shall mean the board of governors of the Company.

(c) “Capital Account” as of any given date shall mean the Capital Contribution to the Company by a Member as adjusted up to the date in question pursuant to Article VIII.

(d) “Capital Contribution” shall mean any contribution to the capital of the Company in cash or property by a Member whenever made. “Initial Capital Contribution” shall mean the initial contribution to the capital of the Company pursuant to this Operating Agreement.

(e) “Capital Interest” shall mean the proportion that a Member’s positive Capital Account bears to the aggregate positive Capital Accounts of all Members whose Capital Accounts have positive balances as may be adjusted from time to time. For purposes of the exercise of voting rights under the North Dakota Act and this Operating Agreement, only voting membership interests shall be included within the definition of a Capital Interest under this Operating Agreement unless otherwise indicated. Each Member’s Capital Interest as of the date hereof is specified on the attached Exhibit A and which may be adjusted from time to time pursuant to this Operating Agreement or under the North Dakota Act.

(f) “Code” shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

(g) “Company” shall refer to AMI SILICA LLC.

(h) “Deficit Capital Account” shall mean with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amount which such Member is obligated to restore under Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations, as well as any addition thereto pursuant to the next to last sentence of Sections 1.704-2(g)(1) and (i)(5) of the Treasury Regulations, after taking into account thereunder any changes during such year in partnership minimum gain (as determined in accordance with Section 1.704-2(d) of the Treasury Regulations) and in the minimum gain attributable to any partner nonrecourse debt (as determined under Section 1.704-2(i)(3) of the Treasury Regulations); and

(ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

This definition of Deficit Capital Account is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(e) and 1.704-2, and will be interpreted consistently with those provisions.

(i) “Distributable Cash” means all cash, revenues and funds received by the Company from Company operations, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company’s business; (iii) such Reserves as the Board of Governors deem reasonably necessary to the proper operation of the Company’s business.

(j) “Economic Interest” shall mean a Member’s or Economic Interest Owner’s share of one or more of the Company’s Net Profits, Net Losses and distributions of the Company’s assets pursuant to this Operating Agreement and the North Dakota Act, but shall not include any right to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members or Board of Governors.

(k) “Economic Interest Owner” shall mean the owner of an Economic Interest who is not a Member.

(l) “Entity” shall mean any general partnership, limited partnership, limited liability partnership, limited liability limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization.

(m) “Fiscal Year” shall mean the Company’s fiscal year, which shall be the year ending on December 31.

(n) “Gifting Member” shall mean any Member or Economic Interest Owner who gifts, bequeaths or otherwise transfers for no consideration (by operation of law or otherwise, except with respect to bankruptcy) all or any part of its Membership Interest or Economic Interest.

(o) “Governors” shall mean one or more governors. References to the Governors in the singular or as him, her, it, itself, or other like references shall also, where the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.

(p) “Majority Interest” shall mean one or more Interests of Members which taken together exceed 50% of the aggregate of all Capital Interests. For purposes of the exercise of voting rights under the North Dakota Act and this Operating Agreement, only voting membership interests shall be included within the definition of a Majority Interest under this Operating Agreement unless otherwise indicated.

(q) “Member” shall mean each of the parties who execute a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members. If a Person is a Member immediately prior to the purchase or other acquisition by such Person of an Economic Interest, such Person shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.

(r) “Membership Interest” shall mean a Member’s entire interest in the Company including such Member’s Economic Interest and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement and the North Dakota Act.

(s) “North Dakota Act” shall mean the North Dakota Uniform Limited Liability Company Act at N.D.C.C. 10-32.1-01, et seq.

(t) “Net Profits” and “Net Losses” shall mean the income, gain, loss, deductions and credits of the Company in the aggregate or separately stated, as appropriate, determined in accordance with the accounting principles employed under the acceptable method of accounting at the close of each fiscal year on the Company’s information tax return filed for federal income tax purposes.

(u) “Operating Agreement” shall mean this Operating Agreement as originally executed and as amended from time to time.

(v) “Persons” shall mean any individual or Entity, and the heirs, personal representatives, legal representatives, successors, and assigns of such “Person” where the context so permits.

(w) “Reserves” shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed

sufficient by the Governors for working capital and to pay taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company's business.

(x) "Selling Member" shall mean any Member or Economic Interest Owner which sells, assigns, or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest.

(y) "Transferring Member" shall collectively mean a Selling Member and a Gifting Member.

(z) "Treasury Regulations" shall include proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

ARTICLE II

FORMATION OF COMPANY

2.01 Formation; Articles of Amendment. On June 2, 2021, Trevor A. Hunter of CROWLEY FLECK PLLP organized a North Dakota limited liability company by executing and delivering Articles of Organization to the North Dakota Secretary of State in accordance with and pursuant to the North Dakota Act. On July 19, 2021, Trevor A. Hunter of CROWLEY FLECK PLLP executed and delivered Articles of Amendment to the North Dakota Secretary of State in accordance with and pursuant to the North Dakota Act, which were filed on July 19, 2021.

2.02 Name. The name of the Company is **AMI SILICA LLC**.

2.03 Principal Executive Office. The principal executive office of the Company is 1505 North Miller Street, Suite 260, Wenatchee, Washington 98801. The Company may locate its principal executive office at any other place or places as the Governors may from time to time deem advisable.

2.04 Registered Office and Registered Agent. The Company's registered agent in the State of North Dakota is Corporation Service Company and its registered office is at the office of its registered agent at 1709 North 19th Street, Suite 3, Bismarck, North Dakota 58501. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the North Dakota Secretary of State pursuant to the North Dakota Act.

2.05 Term. The term of the Company shall be perpetual from the date of filing of Articles of Organization with the Secretary of State of the State of North Dakota, unless the

Company is earlier dissolved in accordance with either the provisions of this Operating Agreement or the North Dakota Act.

ARTICLE III

BUSINESS OF COMPANY

3.01 Permitted Businesses. The business of the Company shall be for any lawful business purpose or purposes pursuant to Section 10-32.1-07(2) of the North Dakota Uniform Limited Liability Company Act, and said business of the Company shall include the power:

(a) to accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets;

(b) to exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the North Dakota Act; and

(c) to engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

ARTICLE IV

NAMES AND ADDRESSES OF MEMBERS AND MEMBERS UNITS, CLASSIFICATIONS

4.01 Authorized Membership Units. The Company shall be authorized to create and issue up to 250,000 Membership Units. This shall include 250,000 Voting Membership Units and 0 Nonvoting Membership Units.

4.02 Initial Ownership of Membership Units. The Membership Units currently owned by each current member are contained on Exhibit A.

ARTICLE V

RIGHTS AND DUTIES OF BOARD OF GOVERNORS

5.01 General Powers. All limited liability company powers shall be exercised by or under authority of and the business and affairs of the Company shall be managed under the direction of the Board of Governors except as may be otherwise provided in the Articles of Organization, the Operating Agreement, or by law.

5.02 Duties. A Governor shall perform his duties as a Governor, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his duties, a Governor is entitled to rely on information, opinions, reports, or statements, including financial statements or other financial data, in each case prepared or presented by:

- (a) one or more officers or employees of the Company whom the Governor reasonably believes to be reliable and competent in the matters presented;
- (b) counsel, public accountants, or other persons as to matters that the Governor reasonably believes to be within such person's professional or expert competence; or
- (c) a committee of the Board upon which he does not serve, duly designated, as to matters within its designated authority, which committee the Governor reasonably believes to merit confidence.

A Governor may not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his duties has no liability by reason of being or having been a Governor of the Company.

5.03 Number, Tenure, and Qualifications. The number of Governors of the Company shall be four (4). A Governor shall serve until the earlier of: (i) expiration of the Governor's term which shall be three (3) years; or (ii) his or her death, resignation, removal, or disqualification. Any Governor subject to removal under this Section shall not be entitled to vote for or against such Governor's removal. No Governor shall be subject to term limits. Governors need not be residents of the State of North Dakota or members of the Company. Governors shall be elected by the Members of the Company as of the date hereof as follows:

- (a) As long as JMAC Energy Services LLC, or its successor(s), holds at least 50.0% of the Membership Interest of the Company, it shall be entitled to elect two (2) of the four (4) total Governors.

- (b) As long as Athabasca Materials Inc., or its successor(s), holds at least 50.0% of the Membership Interest of the Company, it shall be entitled to elect two (2) of the four (4) total Governors.

5.04 Regular Meetings. A regular meeting of the Board of Governors or any committee designated thereby shall be held without other notice than this Section, immediately after and at the same place as, the annual meeting of the members. The Board of Governors may provide, by resolution, the time and place, either within or without the State of North Dakota, for the holding of additional regular meetings without other notice than such resolution. Members of the Board of Governors or any committee designated thereby may participate in a meeting of the Board or a committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means constitutes presence in person at a meeting.

5.05 Special Meetings. Special meetings of the Board of Governors or any committee designated thereby, may be called by or at the request of the President or any Governor. The person or persons authorized to call special meetings of the Board of Governors or any committee designated thereby may fix any place, either within or without the State of North Dakota, as the place for holding any special meeting of the Board of Governors called by them.

5.06 Notice. Notice of any special meeting shall be given at least two (2) days previous thereto by written notice delivered personally or mailed to each Governor at his business address, or by electronic mail (when directed to an electronic mail address at which a Governor has consented to receive notice at such address) or by telegram. If mailed, such notice shall be deemed to be delivered three (3) days after having been deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Governor may waive notice of any meeting. The attendance of a Governor at a meeting shall constitute a waiver of notice of such meeting, except where a Governor attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Governors need be specified in the notice or waiver of notice of such meeting.

5.07 Quorum. A majority of the number of Governors fixed by Section 5.03 hereof shall constitute a quorum for the transaction of business at any meeting of the Board of Governors, but if less than such majority is present at a meeting, a majority of the Governors present may adjourn the meeting from time to time without further notice.

5.08 Manner of Acting. The act of the majority of the Governors present at a meeting at which a quorum is present shall be the act of the Board of Governors ("Board Consent").

5.09 Action Without a Meeting. Any action required or permitted to be taken by the Board of Governors or a committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Governors, or all of the members of the committee.

5.10 Vacancies and Removals. Any vacancy (however created) in the Board of Governors may be filled by the applicable Member as set forth in the subparts of Section 5.03 hereof. Any Governorship to be filled by reason of the removal of one or more Governors by the Members may be filled by election by the Members at the meeting at which the Governor or Governors are removed, but in accordance with the subparts of Section 5.03 hereof. At a meeting called expressly for that purpose, any Governor or the entire Board of Governors may be removed, with or without cause, by a vote of the Majority Interest.

5.11 Resignation. A Governor may resign at any time by delivering written notification thereof to the President or Secretary of the Company. Resignation shall become effective upon its acceptance by the Board of Governors; provided, however, that if the Board of Governors has not acted thereon within ten (10) days from the date of its delivery, the resignation shall upon the tenth day be deemed accepted.

5.12 Compensation. By resolution of the Board of Governors, each Governor shall be paid his necessary expenses, if any, of attendance at each meeting of the Board of Governors and may be paid a stated salary as Governor or a fixed sum for attendance at each meeting of the Board of Governors or both. No such payment shall preclude any Governor from serving the Company in any other capacity and receiving compensation therefor.

5.13 Presumption of Assent. A Governor of the Company who is present at a meeting of the Board of Governors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Governor who voted in favor of such action.

5.14 Liability of Governors. In addition to any other liabilities, a Governor who votes for or assents to any distribution contrary to law or contrary to any restrictions contained in the Articles of Organization or in the Operating Agreement shall, unless he complies with the standard provided in this Article for the performance of the duties of the Governors, be liable to the Company, jointly and severally with all other Governors so voting or assenting, for the amount or the value of such distribution in excess of the amount of such distribution which could have been made without a violation of law or any restrictions in the Articles of Organization or the Operating Agreement. Any Governor against whom a claim shall be asserted under or pursuant to this Section for the making of a distribution and who shall be held liable thereon shall be entitled to contribution from the members who accepted or received any such distribution, knowing such distribution to have been made in violation of law or any restrictions in the Articles of Organization or Operating Agreement, in proportion to the amounts received by them respectively. Any Governor against whom a claim shall be asserted under or pursuant to this Section shall be entitled to contribution from any other Governors who voted for or assented to the action upon which the claim is asserted and who did not comply with the standard provided in this Article for the performance of the duties of a Governor.

5.15 Conflict of Interest. No contract or other transaction between the Company and one or more of its Governors or any other company, firm, association, or entity in which one or more of the Governors of the Company are governors or officers or are financially interested is either void or voidable because of such relationship or interest or because such Governor or Governors are present at the meeting of the Board of Governors or a committee thereof which authorizes, approves, or ratifies such contract or transaction or because his or their votes are counted for such purposes if:

- (a) the fact of such relationship or interest is disclosed or known to the Board of Governors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested Governors;
- (b) the fact of such relationship or interest is disclosed or known to the members entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent, in which vote or consent such interested Governors may participate to the extent that they are also members; or
- (c) the contract or transaction is fair and reasonable to the Company.

Common or interested Governors may be counted in determining the presence of a quorum at a meeting of the Board of Governors or a committee thereof which authorizes, approves, or ratifies such contract or transaction.

ARTICLE VI

RIGHTS AND DUTIES OF OFFICERS

6.01 Number. The officers of the Company shall be a President, a Vice President, a Secretary, and a Treasurer, each of whom shall be elected by a vote of the Board of Governors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by a majority vote of the Board of Governors. Any two or more offices may be held by the same person, except for President and a Vice President, if any.

6.02 Election and Term of Office. The officers of the Company to be elected by the Board of Governors shall be elected annually by the Board of Governors at the first meeting of the Board of Governors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

6.03 Removal. Any officer or agent may be removed by a majority vote of the Board of Governors whenever in its judgment the best interests of the Company will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

6.04 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by a majority vote of the Board of Governors for the unexpired portion of the term.

6.05 Resignation. Any officer may resign at any time by delivering written notification thereof to the President or Secretary of the Company. Resignation shall become effective upon its acceptance by the Board of Governors; provided, however, that if the Board of Governors has not acted thereon within ten (10) days from the date of its delivery, the resignation shall upon the tenth day be deemed accepted.

6.06 President. The President shall be the principal executive officer of the Company and, subject to the supervision and control of the Board of Governors, shall have general active management of the business of the Company. He shall, when present, preside at all meetings of the members and of the Board of Governors. He may sign, with the Secretary or any other officer of the Company thereunto authorized by the Board of Governors, certificates for membership interests of the Company and deeds, mortgages, bonds, contracts, or other instruments which the Board of Governors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Governors or by these Bylaws to some other officer or agent of the Company, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Governors from time to time. The President shall vote all interests owned by the Company in another Company, corporation, or other entity, unless the Board of Governors expressly delegates the authority to vote such interests to some other officer or person.

6.07 Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President may sign, with the Secretary or any other officer of the Company thereunto authorized by the Board of Governors, certificates for membership interests of the Company; and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Governors.

6.08 Secretary. The Secretary shall:

- (a) keep the minutes of the proceedings of the members and of the Board of Governors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

- (c) be custodian of the corporate records and of the seal of the Company and see that the seal of the Company is affixed to all documents the execution of which on behalf of the Company under its seal is duly authorized;
- (d) keep a register of the post office address of each member and assignee of financial rights, if any, which shall be furnished to the Secretary by such member or assignee of financial rights, as applicable;
- (e) sign with the President, or a Vice President, certificates for membership interests of the Company, as authorized by the resolution of the Board of Governors;
- (f) have general charge of the membership interest transfer books of the Company; and
- (g) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Governors.

6.09 Treasurer. The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Company;
- (b) receive and give receipts for moneys due and payable to the Company from any source whatsoever, and deposit all such moneys in the name of the Company in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws;
- (c) pay all local, state, and federal tax obligations and liabilities of the Company as they come due; and
- (d) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Governors or the North Dakota Act.

If required by the Board of Governors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Governors shall determine.

6.10 Salaries. The salaries of the officers shall be fixed from time to time by the Board of Governors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Governor of the Company.

6.11 Indemnity of the Governors, Officers, Employees and Other Agents. The Company shall indemnify the governors and officers and make advances for expenses to the maximum extent permitted under Section 10-32.1-40 of the North Dakota Act. The Company shall indemnify its

employees and other agents who are not governors and officers to the fullest extent permitted by law, provided that such indemnification in any given situation is approved by the Majority Interest.

ARTICLE VII

RIGHTS AND OBLIGATIONS OF MEMBERS

7.01 Limitation of Liability. Each Member's liability shall be limited as set forth in this Operating Agreement, the North Dakota Act and other applicable law.

7.02 Company Debt Liability. A Member will not be personally liable for any debts or losses of the Company beyond his respective Capital Contributions and any obligation of the Member under Sections 9.01 or 9.02 hereof to make Capital Contributions, except as provided in Section 7.07 hereof herein or as otherwise required by law.

7.03 List of Members. Upon written request of any Member, the President shall provide a list showing the names, addresses and Membership Interests and Economic Interests of all Members.

7.04 Approval of Sale of All Assets. The Members shall have the right, by the affirmative vote of Members holding at least two-thirds of all voting Capital Interests to approve the sale, exchange, or other disposition of all, or substantially all, of the Company's assets (other than in the ordinary course of the Company's business) which is to occur as part of a single transaction or plan.

7.05 Company Books. In accordance with Section 10.09 hereof, the Board of Governors shall maintain and preserve, during the term of the Company, and for six (6) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member and Economic Interest Owner shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's and Economic Interest Owner's expense.

7.06 Priority and Return of Capital. Except as may be expressly provided in Article X, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided that this Section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

7.07 Liability of a Member to the Company.

(a) A Member who rightfully receives the return in whole or in part of its contribution (as defined in Section 10-32.1-28 of the North Dakota Act) is nevertheless liable to the Company only to the extent now or hereafter provided by the North Dakota Act.

(b) A Member who receives a distribution made by the Company which is either in violation of this Operating Agreement or the North Dakota Act, is liable to the Company for a period of six years after such distribution for the amount of the distribution.

ARTICLE VIII

MEETINGS OF MEMBERS

8.01 Annual Meeting. The annual meeting of the Members shall be held on the first Monday in July or at such other time as shall be determined by resolution of the Members, commencing with the year 2021, for the purpose of the transaction of such business as may come before the meeting.

8.02 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or the Board of Governors or by any Member or Members holding at least 10% of the voting Capital Interests.

8.03 Place of Meetings. The Members may designate any place, either within or outside the State of North Dakota, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the Company in the State of North Dakota.

8.04 Notice of Meetings. Except as provided in Section 8.05 hereof, written notice stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than 10 nor more than 30 days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Board of Governors or person calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States mail, addressed to the Member at its address as it appears on the books of the Company, with postage thereon prepaid.

8.05 Meeting of all Members. If all of the Members shall meet at any time and place, either within or outside of the State of North Dakota, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

8.06 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose,

the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

8.07 Quorum. Members holding at least fifty percent (50.0%) of all Capital Interests, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Capital Interests so represented may adjourn the meeting from time to time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

8.08 Manner of Acting. If a quorum is present, the affirmative vote by the Majority Interest shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the North Dakota Act, by the Articles of Organization, or by this Operating Agreement ("Member Consent"). Unless otherwise expressly provided herein or required under applicable law, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote or consent may vote or consent upon any such matter and their Capital Interest, vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter was approved by the Members.

8.09 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

8.10 Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each Member entitled to vote and delivered to the Secretary of the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section is effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

8.11 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE IX

CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

9.01 Members' Capital Contributions. Each Member has contributed such amount as is set forth in Exhibit A hereto as its share of the Initial Capital Contribution.

9.02 Additional Contributions. Except as set forth in Section 9.01 hereof, no Member shall be required to make any Capital Contributions. To the extent approved by a majority vote of the Board of Governors, from time to time, the Members may be permitted to make additional Capital Contributions if and to the extent they so desire, and if by a majority vote of the Board of Governors it is determined that such additional Capital Contributions are necessary or appropriate in connection with the conduct of the Company's business (including without limitation, expansion or diversification) ("Additional Capital Contribution"). Once an Additional Capital Contribution has been approved by the Board, the Board shall deliver to each Member a notice ("Additional Capital Call Notice") of the date ("Additional Contribution Date") and the Additional Capital Contribution amount to the Members. Upon receipt of an Additional Capital Call Notice, a Member shall have the sole discretion either (i) to deliver to the Board such Member's pro-rata portion of each such Additional Capital Contribution according to such Member's Capital Interest or (ii) to decline to participate in the Additional Capital Contribution.

9.03 Delinquent Capital Contributions/Adjustment of Capital Interest. In the event that a Member notifies the Board of Governors that the Member will not make such Member's Additional Capital Contribution, or such Member does not make such Member's full Additional Capital Contribution by the Additional Contribution Date, then, with respect to such Additional Capital Call Notice, the other Members shall have the right, but not the obligation, to contribute an amount equal to the non-paying Member's portion of the Additional Capital Contribution. If more than one Member chooses to make such Additional Capital Contribution, and such Members do not otherwise agree on the amount each will contribute, then they will contribute a pro-rata portion of such Additional Capital Contribution according to their relative Capital Interest. For purposes of clarity, a Member's decision not to make such Member's Additional Capital Contribution is not a breach of this Agreement and shall not give rise to a claim against such Member by the Company or the other Members. The only effect of a Member's decision not to make such Member's Additional Capital Contribution shall be adjustment of the Member's Capital Interest pursuant to this Section 9.03 hereof. The Capital Interest of each Member shall be re-determined following each Additional Capital Contribution so that each Member's Capital Interest is equal to the ratio that such Member's aggregate Capital Contributions (calculated following each Additional Capital Contribution) bears to the aggregate Capital Contributions of all Members (calculated following each Additional Capital Contribution) to reflect their total Capital Contributions through such date, and Exhibit A shall be amended accordingly.

9.04 Capital Accounts.

(a) A separate Capital Account will be maintained for each Member. Each Member's Capital Account will be increased by (1) the amount of money contributed by such Member to the Company; (2) the fair market value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to Section 752 of the Code); (3) allocations to such Member of Net Profits and Net Losses; and (4) allocations to such Member of income described in Section 705(a)(1)(B) of the Code. Each Member's Capital Account will be decreased by (1) the amount of money distributed to such Member by the Company; (2) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to Section 752 of the Code); (3) allocations to such Member of expenditures described in Section 705(a)(2)(B) of the Code; and (4) allocations to the account of such Member of Company loss and deduction as set forth in the Treasury Regulations, taking into account adjustments to reflect fair market value.

(b) In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with Section 1.704-1(b)(2)(iv) of the Treasury Regulations.

(c) The manner in which Capital Accounts are to be maintained pursuant to this Section 9.04 is intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 9.04 should be modified in order to comply with Section 704(b) of the Code and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this Section 9.04, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

(d) Upon liquidation of the Company (or any Member's Membership Interest or Economic Interest Owner's Economic Interest), liquidating distributions will be made in accordance with the positive Capital Account balances of the Members and Economic Interest Owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid within sixty days of the end of the taxable year (or, if later, within 120 days after the date of the liquidation). The Company may offset damages for breach of this Operating Agreement by a Member or Economic Interest Owner whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to such Member.

(e) Except as otherwise required in the North Dakota Act (and subject to Sections 9.01 and 9.02 hereof), no Member or Economic Interest Owner shall have any liability to restore all or any portion of a deficit balance in such Member's or Economic Interest Owner's Capital Account.

9.05 Withdrawal or Reduction of Members' Contributions to Capital.

(a) A Member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them.

(b) A Member, irrespective of the nature of its Capital Contribution, has only the right to demand and receive cash in return for its Capital Contribution.

ARTICLE X

ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS, AND REPORTS

10.01 Allocations of Profits and Losses from Operations. The Net Profits and Net Losses of the Company for each fiscal year will be allocated in proportion to the Capital Accounts of the Members.

10.02 Special Allocations to Capital Accounts. Notwithstanding Section 10.01 hereof:

(a) No allocations of loss, deduction and/or expenditures described in Section 705(a)(2)(B) of the Code shall be charged to the Capital Account of any Member if such allocation would cause such Member to have a Deficit Capital Account. The amount of the loss, deduction and/or Code Section 705(a)(2)(B) expenditure which would have caused a Member to have a Deficit Capital Account shall instead be charged to the Capital Accounts of any Members which would not have Deficit Capital Accounts as a result of the allocation, in proportion to their respective Capital Contributions, or, if no such Members exist, then to the Members in accordance with their interests in Company profits pursuant to Section 10.01 hereof.

(b) In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6) of the Treasury Regulations, which create or increase a Deficit Capital Account of such Member, then items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, for subsequent years) shall be specially credited to the Capital Account of such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Deficit Capital Account so created as quickly as possible. It is the intent that this Section 10.02(b) be interpreted to comply with the alternate test for economic effect set forth in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

(c) In the event any Member would have a Deficit Capital Account at the end of any Company taxable year which is in excess of the sum of any amount that such Member is

obligated to restore to the Company under Treasury Regulations Section 1.704-1(b)(2)(ii)(c) and such Member's share of minimum gain as defined in Section 1.704-2(g)(1) of the Treasury Regulations), the Capital Account of such Member shall be specially credited with items of Membership income (including gross income) and gain in the amount of such excess as quickly as possible.

(d) Notwithstanding any other provision of this Section 10.02, if there is a net decrease in the Company's minimum gain as defined in Treasury Regulation Section 1.704-2(d) during a taxable year of the Company, then, the Capital Accounts of each Member shall be allocated items of income (including gross income) and gain for such year (and if necessary for subsequent years) equal to that Member's share of the net decrease in Company minimum gain. This Section 10.02(d) is intended to comply with the minimum gain chargeback requirement of Section 1.704-2 of the Treasury Regulations and shall be interpreted consistently therewith. If in any taxable year that the Company has a net decrease in the Company's minimum gain, if the minimum gain chargeback requirement would cause a distortion in the economic arrangement among the Members and it is not expected that the Company will have sufficient other income to correct that distortion, the Board of Governors may in their discretion (and shall, if requested to do so by a Member) seek to have the Internal Revenue Service waive the minimum gain chargeback requirement in accordance with Treasury Regulation Section 1.704-2(f)(4).

(e) Items of Company loss, deduction and expenditures described in Section 705(a)(2)(B) which are attributable to any nonrecourse debt of the Company and are characterized as partner (Member) nonrecourse deductions under Section 1.704-2(i) of the Treasury Regulations shall be allocated to the Members' Capital Accounts in accordance with said Section 1.704-2(i) of the Treasury Regulations.

(f) Beginning in the first taxable year in which there are allocations of "nonrecourse deductions" (as described in Section 1.704-2(b) of the Treasury Regulations) such deductions shall be allocated to the Members in accordance with, and as a part of, the allocations of Company profit or loss for such period.

(g) In accordance with Section 704(c)(1)(A) of the Code and Section 1.704-1(b)(2)(iv)(d)(3) of the Treasury Regulations, if a Member contributes property with a fair market value that differs from its adjusted basis at the time of contribution, income, gain, loss and deductions with respect to the property shall, solely for federal income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company and its fair market value at the time of contribution.

(h) Pursuant to Section 704(c)(1)(B) of the Code, if any contributed property is distributed by the Company other than to the contributing Member within seven years of being contributed, then, except as provided in Section 704(c)(2) of the Code, the contributing Member shall be treated as recognizing gain or loss from the sale of such property in an amount equal to the gain or loss that would have been allocated to such Member under Section 704(c)(1)(A) of the Code if the property had been sold at its fair market value at the time of the distribution.

(i) In the case of any distribution by the Company to a Member or Economic Interest Owner, such Member or Economic Interest Owner shall be treated as recognizing gain in an amount equal to the lesser of:

(1) the excess (if any) of (A) the fair market value of the property (other than money) received in the distribution over (B) the adjusted basis of such Member's Membership Interest or Economic Interest Owner's Economic Interest in the Company immediately before the distribution reduced (but not below zero) by the amount of money received in the distribution, or

(2) the Net Precontribution Gain (as defined in Section 737(b) of the Code) of the Member or Economic Interest Owner. The Net Precontribution Gain means the net gain (if any) which would have been recognized by the distributee Member or Economic Interest Owner under Section 704(c)(1)(B) of the Code if all property which (1) had been contributed to the Company within five years of the distribution, and (2) is held by the Company immediately before the distribution, had been distributed by the Company to another Member or Economic Interest Owner. If any portion of the property distributed consists of property which had been contributed by the distributee Member or Economic Interest Owner to the Company, then such property shall not be taken into account under this Section 10.02(i) and shall not be taken into account in determining the amount of the Net Precontribution Gain. If the property distributed consists of an interest in an entity, the preceding sentence shall not apply to the extent that the value of such interest is attributable to the property contributed to such entity after such interest had been contributed to the Company.

(j) In connection with a Capital Contribution of money or other property (other than a de minimis amount) by a new or existing Member or Economic Interest Owner as consideration for an Economic Interest or Membership Interest, or in connection with the liquidation of the Company or a distribution of money or other property (other than a de minimis amount) by the Company to a retiring Member or Economic Interest Owner as consideration for an Economic Interest or Membership Interest), the Capital Accounts of the Members shall be adjusted to reflect a revaluation of Company property (including intangible assets) in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f). If under Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, Company property that has been revalued is properly reflected in the Capital Accounts and on the books of the Company at a book value that differs from the adjusted tax basis of such property, then depreciation, depletion, amortization and gain or loss with respect to such property shall be shared among the Members in a manner that takes account of the variation between the adjusted tax basis of such property and its book value, in the same manner as variations between the adjusted tax basis and fair market value of property contributed to the Company are taken into account in determining the Members' shares of tax items under Section 704(c) of the Code.

(k) All recapture of income tax deductions resulting from sale or disposition of Company property shall be allocated to the Member or Members to whom the deduction that gave

rise to such recapture was allocated hereunder to the extent that such Member is allocated any gain from the sale or other disposition of such property.

(l) Any credit or charge to the Capital Accounts of the Members pursuant to Sections 10.02(b), (c) and/or (d) hereof shall be taken into account in computing subsequent allocations of profits and losses pursuant to Section 10.01 hereof, so that the net amount of any items charged or credited to Capital Accounts pursuant to Sections 10.01 and 10.02 hereof shall to the extent possible, be equal to the net amount that would have been allocated to the Capital Account of each Member pursuant to the provisions of this Article IX if the special allocations required by Sections 10.02(b), (c) and/or (d) hereof had not occurred.

10.03 Distributions. Except as provided in Section 9.04(d), all distributions of cash or other property shall be made to the Members as follows:

Except as provided in Section 10.04 hereof, all distributions of Distributable Cash and property shall be made at such time as determined by the Board of Governors. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section 10.03.

10.04 Limitation Upon Distributions. No distribution shall be declared and paid unless, after the distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Members on account of their contributions.

10.05 Accounting Principles. The profits and losses of the Company shall be determined in accordance with accounting principles applied on a consistent basis using the accrual method of accounting. It is intended that the Company will elect those accounting methods which provide the Company and the Members with the greatest tax benefits.

10.06 Interest On and Return of Capital Contributions. No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

10.07 Loans to Company. Nothing in this Operating Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

10.08 Accounting Period. The Company's accounting period shall be the calendar year.

10.09 Records, Audits, and Reports. At the expense of the Company, the Board of Governors shall maintain records and accounts of all operations and expenditures of the Company. At a minimum, the Company shall keep at its principal executive office of the Company the following records:

(a) A current list of the full name and last known business, residence, or mailing address of each Member, Economic Interest Owner, Officer, and Governor, both past and present;

(b) A copy of the Articles of Organization of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the four most recent years;

(d) Copies of the Company's currently effective written Operating Agreement, copies of any writings permitted or required with respect to a Member's obligation to contribute cash, property or services, and copies of any financial statements of the Company for the three most recent years;

(e) Minutes of every annual, special, and court-ordered meeting;

(f) Any written consents obtained from Members for actions taken by Members without a meeting.

10.10 Returns and Other Elections. The President shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year. The President shall timely file with the North Dakota State Tax Commissioner the Company's annual North Dakota return.

All elections permitted to be made by the Company under federal or state laws shall be made by the President in his/her sole discretion, provided that the President shall make any tax election requested by the Majority Interest.

ARTICLE XI

TRANSFERABILITY

11.01 General. Except as otherwise specifically provided herein neither a Member nor an Economic Interest Owner shall have the right to:

(a) sell, assign, pledge, hypothecate, transfer, exchange or otherwise transfer for consideration (collectively, "sell"),

(b) gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) all or any part of its Membership Interest or Economic Interest.

11.02 Right of First Refusal.

(a) In the event a Selling Member desires to sell all or any portion of its Membership Interest or Economic Interest in the Company to a third party purchaser, the Selling Member shall first obtain from such third party purchaser a bona fide written offer to purchase such interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefor. The Selling Member shall give written notification to the remaining Members, by certified mail or personal delivery, of its intention to so transfer such interest, furnishing to the remaining Members a copy of the aforesaid written offer to purchase such interest.

(b) The remaining Members, and each of them shall, on a basis pro rata to their Capital Interests (voting having a right of first refusal as to voting and non-voting having a right of first refusal as to non-voting) or on a basis pro rata to the Capital Interests of those remaining Members exercising their right of first refusal, have the right to exercise a right of first refusal to purchase all (but not less than all) of the interest proposed to be sold by the Selling Member upon the same terms and conditions as stated in the aforesaid written offer to purchase by giving written notification to the Selling Member, by certified mail or personal delivery, of their intention to do so within twenty (20) days after receiving written notice from the Selling Member. The failure of all the remaining Members (or any one or more of them) to so notify the Selling Member of their desire to exercise this right of first refusal within said twenty (20) day period shall result in the termination of the right of first refusal and the Selling Member shall be entitled to consummate the sale of its interest in the Company, or such portion of its interest, if any, with respect to which the right of first refusal has not been exercised, to such third party purchaser.

In the event the remaining Members (or any one or more of the remaining Members) give written notice to the Selling Member of their desire to exercise this right of first refusal and to purchase all of the Selling Member's interest in the Company which the Selling Member desires to sell upon the same terms and conditions as are stated in the aforesaid written offer to purchase, the remaining Members shall have the right to designate the time, date and place of closing, provided that the date of closing shall be within twenty (20) days after receipt of written notification from the Selling Member of the third party offer to purchase.

(c) In the event of either the purchase of the Selling Member's interest in the Company by a third party purchaser or the gift of an interest in the Company (including an Economic Interest), and as a condition to recognizing one or more of the effectiveness and binding nature of any such sale or gift and (subject to Section 11.03 hereof, below) substitution of a new Member as against the Company or otherwise, the remaining Members may require the Selling Member or Gifting Member and the proposed purchaser, donee or successor-in-interest, as the case may be, to execute, acknowledge and deliver to the remaining Members such instruments of transfer, assignment and assumption and such other certificates, representations and documents,

and to perform all such other acts which the remaining Members may deem necessary or desirable to:

(i) constitute such purchaser as a Member, donee or successor-in-interest as such;

(ii) confirm that the person desiring to acquire an interest or interests in the Company, or to be admitted as a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of the Operating Agreement, as the same may have been further amended (whether such Person is to be admitted as a new Member or will merely be an Economic Interest Owner);

(iii) preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;

(iv) maintain the status of the Company as a partnership for federal tax purposes; and

(v) assure compliance with any applicable state and federal laws including securities laws and regulations.

(d) Any sale or gift of a Membership Interest or Economic Interest or admission of a Member in compliance with this Article XI shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given, or, if no such consent was required pursuant to Section 11.02(e) hereof, then on such date that the donee or successor-in-interest complies with this Article. The Selling Member agrees, upon request of the remaining Members, to execute such certificates or other documents and perform such other acts as may be reasonably requested by the remaining Members from time to time in connection with such sale, transfer, assignment, or substitution. The Selling Member hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article XI.

(e) Subject to Section 11.03(c) hereof, a Transferring Member may gift all or any portion of its Membership Interest and Economic Interest without regard to Sections 11.02(a) and (b) hereof provided that the donee or other successor-in-interest (collectively, "donee") complies with Section 11.02(c) hereof and further provided that the donee is either the Gifting Member's spouse, former spouse, or lineal descendent (including adopted children). In the event of the gift of all or any portion of a Gifting Member's Membership Interest or Economic Interest to one or more donees who are under 25 years of age, one or more trusts shall be established to hold the gifted interest(s) for the benefit of such donee(s) until all of the donee(s) reach the age of at least 25 years.

11.03 Transferee Not Member in Absence of Unanimous Consent.

(a) Notwithstanding anything contained herein to the contrary (including, without limitation, Section 11.02 hereof), if all of the remaining Members do not approve by unanimous written consent the proposed sale or gift of the Transferring Member's Membership Interest or Economic Interest to a transferee or donee which is not a Member immediately prior to the sale or gift, then the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee or donee shall be merely an Economic Interest Owner. No transfer of a Member's interest in the Company (including any transfer of the Economic Interest or any other transfer which has not been approved by unanimous written consent of the Members) shall be effective unless and until written notice (including the name and address of the proposed transferee or donee and the date of such transfer) has been provided to the Company and the non-transferring Member(s).

(b) Upon and contemporaneously with any sale or gift of a Transferring Member's Economic Interest in the Company which does not at the same time transfer the balance of the rights associated with the Economic Interest transferred by the Transferring Member (including, without limitation, the rights of the Transferring Member to participate in the management of the business and affairs of the Company), the Company shall purchase from the Transferring Member, and the Transferring Member shall sell to the Company for a purchase price of \$100.00, all remaining rights and interests retained by the Transferring Member which immediately prior to such sale or gift were associated with the transferred Economic Interest.

(c) The restrictions on transfer contained in this Section 11.03 are intended to comply (and shall be interpreted consistently) with any restrictions on transfer set forth in the North Dakota Act.

ARTICLE XII

ADDITIONAL MEMBERS

From the date of the formation of the Company, any Person or Entity acceptable to the Members by a majority vote by the Majority Interest may become a Member in this Company either by the issuance by the Company of Membership Interests for such consideration as the Members by a majority vote by the Majority Interest shall determine, or as a transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Operating Agreement. No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Board of Governors may, at its option, at the time a Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Section 706(d) of the Code and the Treasury Regulations promulgated thereunder.

ARTICLE XIII

DISSOLUTION AND TERMINATION

13.01 Dissolution.

(a) The Company shall be dissolved upon the occurrence of any of the following events:

(i) when the period fixed for the duration of the Company shall expire pursuant to Section 2.05 hereof;

(ii) by the unanimous written agreement of all Members;

(iii) upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of the last Member or occurrence of any other event which terminates the continued membership of the last Member in the Company (a "Withdrawal Event"); or

(iv) as otherwise provided in chapter 10-32.1, N.D.C.C.

(b) Notwithstanding anything to the contrary in this Operating Agreement, if a Member or Members owning voting Capital Interests which in the aggregate constitute not less than two-thirds of the voting Capital Interests vote to dissolve the Company at a meeting of the Company pursuant to Article VIII, then all of the Members shall agree in writing to dissolve the Company as soon as possible (but in any event not more than 20 days) thereafter.

(c) As soon as possible following the occurrence of any of the events specified in this Section 13.01 effecting the dissolution of the Company, the appropriate representative of the Company shall execute a notice of dissolution in such form as shall be prescribed by the North Dakota Secretary of State and file same with the North Dakota Secretary of State's office.

(d) If a Member who is an individual dies or a court of competent jurisdiction adjudges him to be incompetent to manage his person or his property, the Member's executor, administrator, guardian, conservator, or other legal representative may exercise all of the Member's rights for the purpose of settling his estate or administering his property.

(e) Except as expressly permitted in this Operating Agreement, a Member shall not voluntarily resign or take any other voluntary action which directly causes a Withdrawal Event. Unless otherwise approved by a majority vote by the Majority Interest, a Member who resigns (a "Resigning Member") or whose Membership Interest is otherwise terminated by virtue of a Withdrawal Event, regardless of whether such Withdrawal Event was the result of a voluntary act by such Member, shall not be entitled to receive any distributions to which such Member would not have been entitled had such Member remained a Member. Except as otherwise expressly

provided herein, a Resigning Member shall become an Economic Interest Owner. Damages for breach of this Section 13.01(e) shall be monetary damages only (and not specific performance), and such damages may be offset against distributions by the Company to which the Resigning Member would otherwise be entitled.

13.02 Effect of Filing of Notice of Dissolution. Upon the filing by the North Dakota Secretary of State of a notice of dissolution, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until articles of dissolution and termination have been filed with the Secretary of State or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

13.03 Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Board of Governors shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Board of Governors shall:

(i) Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Board of Governors may determine to distribute any assets to the Members in kind),

(ii) Allocate any profit or loss resulting from such sales to the Members' and Economic Interest Owners' Capital Accounts in accordance with Article X hereof,

(iii) Discharge all liabilities of the Company, including liabilities to Members and Economic Interest Owners who are creditors, to the extent otherwise permitted by law, other than liabilities to Members and Economic Interest Owners for distributions, and establish such Reserves as may be reasonably necessary to provide for contingencies and foreseeable liabilities of the Company (for purposes of determining the Capital Accounts of the Members and Economic Interest Owners, the amounts of such Reserves shall be deemed to be an expense of the Company),

(iv) Distribute the remaining assets in the following order:

(1) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members and

Economic Interest Owners shall be adjusted pursuant to the provisions of Article X and Sections 9.03 and 9.04 hereof to reflect such deemed sale.

(2) The positive balance (if any) of each Member's and Economic Interest Owner's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) shall be distributed to the Members, either in cash or in kind, as determined by the Board of Governors, with any assets distributed in kind being valued for this purpose at their fair market value as determined pursuant to Section 13.03(b)(1) hereof. Any such distributions to the Members in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Treasury Regulations.

(c) Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a Deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Board of Governors shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

13.04 Articles of Dissolution and Termination. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, articles of dissolution and termination shall be executed in duplicate and verified by the person signing the articles, which articles shall set forth the information required by the North Dakota Act. Duplicate originals of such articles of dissolution and termination shall be delivered to the North Dakota Secretary of State.

13.05 Effect of Filing of Articles of Dissolution and Termination. Upon the filing of the articles of dissolution and termination, the existence of the Company shall cease, except for the purpose of suits, other proceedings and appropriate action as provided in the North Dakota Act. The Board of Governors shall have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

13.06 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Member shall look

solely to the assets of the Company for the return of its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Members, such Member or Members shall have no recourse against any other Member.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

14.01 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided herein, any such notice shall be deemed to be given three business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

14.02 Books of Account and Records. Proper and complete records and books of account shall be kept or shall be caused to be kept by the Board of Governors in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. Such books and records shall be maintained as provided in Section 10.09 hereof. The books and records shall at all times be maintained at the principal executive office of the Company and shall be open to the reasonable inspection and examination of the Members, Economic Interest Owners or their duly authorized representatives during reasonable business hours.

14.03 Application of North Dakota Law. This Operating Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of North Dakota, and specifically the North Dakota Act.

14.04 Waiver of Action for Partition. Each Member and Economic Interest Owner irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

14.05 Amendments. This Operating Agreement may not be amended except by the unanimous agreement of all of the Members.

14.06 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

14.07 Construction. Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

14.08 Headings. The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

14.09 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

14.10 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

14.11 Severability. If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

14.12 Heirs, Personal Representatives, Successors, and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, personal representatives, successors and assigns.

14.13 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

14.14 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

14.15 Investment Representations. The undersigned Members and Economic Interest Owners, if any, understand (1) that the Membership Interests and Economic Interests evidenced by this Operating Agreement have not been registered under the Securities Act of 1933, the North Dakota Securities Act of 1951 or any other state securities laws (the "Securities Acts") because the Company is issuing these Membership Interests and Economic Interests in reliance upon the exemptions from the registration requirements of the Securities Acts providing for issuance of securities not involving a public offering, (2) that the Company has relied upon the fact that the Membership Interests and Economic Interests are to be held by each Member for investment, and (3) that exemption from registration under the Securities Acts would not be available if the Membership Interests and Economic Interests were acquired by a Member with a view to distribution.

Accordingly, each Member and Economic Interest Owner hereby confirms to the Company that such Member and Economic Interest Owner is acquiring the Membership Interests and Economic Interests for such Member's and Economic Interest Owner's own account, for investment and not with a view to the resale or distribution thereof. Each Member and Economic Interest Owner agrees not to transfer, sell or offer for sale any portion of the Membership Interests or Economic Interests unless there is an effective registration or other qualification relating thereto under the Securities Act of 1933 and under any applicable state securities laws or unless the holder of Membership Interests or Economic Interests delivers to the Company an opinion of counsel, satisfactory to the Company, that such registration or other qualification under such Act and applicable state securities laws is not required in connection with such transfer, offer or sale. Each Member and Economic Interest Owner understands that the Company is under no obligation to register the Membership Interests or Economic Interests or to assist such Member or Economic Interest Owner in complying with any exemption from registration under the Securities Acts if such Member or Economic Interest Owner should at a later date wish to dispose of the Membership Interest or Economic Interest. Furthermore, each Member realizes that the Membership Interests and Economic Interests are unlikely to qualify for disposition under Rule 144 of the Securities and Exchange Commission unless such Member is not an "affiliate" of the Company and the Membership Interest or Economic Interest has been beneficially owned and fully paid for by such Member or Economic Interest Owner for at least three years.

Prior to acquiring the Membership Interests and Economic Interests, each Member and Economic Interest Owner has made an investigation of the Company and its business and has had made available to each such Member and Economic Interest Owner all information with respect thereto which such Member needed to make an informed decision to acquire the Membership Interest or Economic Interest. Each Member and Economic Interest Owner considers himself or itself to be a person possessing experience and sophistication as an investor which are adequate for the evaluation of the merits and risks of such Member's or Economic Interest Owner's investment in the Membership Interest or Economic Interest.

CERTIFICATE

The undersigned hereby agree, acknowledge and certify that the foregoing Operating Agreement, consisting of Thirty-One (31) pages including attached Exhibit(s), constitutes the Operating Agreement of AMI SILICA LLC adopted by the Members of the Company as of July 19, 2021.

MEMBERS:

JMAC ENERGY SERVICES LLC

By:  _____
Name:

Its:

ATHABASCA MATERIALS INC.

By: _____

Name: Robert Beekhuizen, CEO

Its:

EXHIBIT A

**INITIAL CAPITAL CONTRIBUTIONS OF
MEMBERS OF AMI SILICA LLC**

<u>Initial Member Contributions</u>	<u>Initial Capital Contribution</u>	<u>Voting Units</u>	<u>Capital Interest</u>
JMAC Energy Services LLC 1505 N. Miller St., Ste. 260 Wenatchee, WA 98801	\$10,000 in kind services	125,000	50.0%
Athabasca Minerals Inc. Canada Place, Suite 620 407 2 Street SW Calgary, AB Canada, T2P 2Y3	\$10,000 in kind services	125,000	50.0%
TOTAL:	\$20,000	250,000	100.0%

UNANIMOUS WRITTEN CONSENT

OF

MEMBERS OF AMI SILICA LLC

IN LIEU OF

ORGANIZATIONAL MEETING

The undersigned, being all of the members (the "Members") of AMI SILICA LLC, a North Dakota limited liability company (the "Company"), do hereby consent in writing pursuant to the applicable provisions of the North Dakota Uniform Limited Liability Company Act, as amended, to the adoption of the resolutions and to the Company actions hereinafter set forth and direct that they shall, in all respects, be deemed as valid Company actions as though such actions and resolutions had been duly approved and authorized at a formal organizational meeting (this "Written Consent").

1. Acceptance of Articles of Organization

RESOLVED, that the Articles of Organization of the Company, as filed with the Secretary of State of the State of North Dakota on June 2, 2021, be, and they hereby are, accepted and approved, and that the Certificate of Organization and Articles of Organization, be placed in the minute book of the Company.

FURTHER RESOLVED, that the Articles of Organization correctly state the registered office of the Company and that the person named therein as registered agent until subsequently changed by a resolution of the Company's Board of Governors (the "Board").

2. Approval of Operating Agreement

RESOLVED, that the Operating Agreement of the Company, in the form attached to this Written Consent (the "Operating Agreement"), be, and it hereby is, adopted as the Operating Agreement of the Company and that the Secretary is instructed to insert a original of such Operating Agreement, signed by the Members, in the minute book of the Company immediately following the filed photocopy of the Articles of Organization.

3. Ratification of Prior Actions

RESOLVED, that all actions taken by the promoters and organizers prior to the formation of this Company are hereby ratified, approved, confirmed, and adopted. The Company shall hereafter be bound by the activities of the promoters and organizers and shall accept the benefit of all agreements, arrangements, negotiations, and contracts that

have been negotiated on behalf of the Company, by the promoters and organizers. The organization and other activities for which the organizer was responsible have been completed. The organizer is relieved of any further duties and responsibilities in that regard, and the Company and the Members indemnify and hold harmless the organizer for any loss, liability, or expense arising from his actions or conduct in such capacity.

4. Certificate of Membership Units

RESOLVED, that the form of certificate attached to this Written Consent is adopted as the form of certificate of units of membership interest for Company; and

FURTHER RESOLVED, that the Board of this Company be, and it hereby is, authorized to issue certificates of units of membership in the form as attached to this Written Consent.

5. Initial Capital Contribution/Issuance of Units

WHEREAS, the Company has received the following offers for the purchase of its membership interests.

RESOLVED, that this Company hereby accepts the offer of JMAC Energy Services LLC, to contribute services performed and to be performed in the amount of \$10,000 in consideration of this Company issuing to JMAC Energy Services LLC 125,000 fully paid and non-assessable units of its voting membership interests.

FURTHER RESOLVED, that this Company hereby accepts the offer of Athabasca Minerals Inc., to contribute services performed and to be performed in the amount of \$ 10,000 in consideration of this Company issuing to Athabasca Minerals Inc. 125,000 fully paid and non-assessable units of its voting membership interests.

FURTHER RESOLVED, that the Company issue and deliver to those entities upon receipt of the consideration described above, pursuant to the terms of the aforesaid offers, certificates representing the units of membership of the Company, each such units to include the units originally subscribed for by the subscribers to the membership interests of the Company.

FURTHER RESOLVED, that the Board of the Company be, and it hereby is, authorized, empowered, and directed to take any and all steps, and to execute and deliver any and all instruments in connection with consummating the transaction contemplated by the aforesaid offers and in connection with carrying the foregoing resolutions into effect.

FURTHER RESOLVED, that upon issuance of the certificates and payment of the consideration the units shall be deemed to be fully paid and non-assessable.

6. Authority to Open Bank Accounts

RESOLVED, that BMO Harris Bank , Napperville IL, be, and it hereby is, selected as depository for the monies, funds, and credit of this Company and that Mark Smith and Dana Archibald be, and they hereby are, authorized and empowered to draw checks (including checks payable to their own order or to bearer) on the above depository, against the account of the Company with the depository, upon the signature of two, and to endorse in the name of the Company and receive payment of all checks, drafts, and commercial papers payable to the Company either as payee or endorsee.

FURTHER RESOLVED, that the authority hereby conferred above shall remain in full force and effect until it shall have been revoked and until a formal written notice of such revocation shall have been given to and received by BMO Harris Bank.

FURTHER RESOLVED, that the certification of a majority of the Board as to the election and appointment of persons so authorized to sign such checks and as to the signatures of such persons shall be binding on this Company.

FURTHER RESOLVED, that the Board of this Company be, and it hereby is, authorized and directed to deliver to BMO Harris Bank a copy of these resolutions properly certified by them.

7. Authority to Pay Organizational Expenses

RESOLVED, that the Board is authorized and directed to procure all limited liability company books required by the State of North Dakota or necessary in connection with the business of the Company and are further authorized and directed to pay all fees and expenses incident to and necessary for the organization of the Company, and to reimburse those persons who have advanced said fees and expenses incident to and necessary for the organization of the Company, and to reimburse those persons who have advanced said fees and expenses on behalf of the Company.

8. Professional Services

- Trisura will supply Bonding for AMI Silica – Jonathan Hope is the main contact at Trisura.
- AMI Silica is still working to secure insurance – in the interim JMAC has secured it through Assured Partners and AMI is utilizing them to get a new policy.
- Athabasca Minerals Inc. is doing the accounting for AMI Silica. AMI Silica's auditors are Grant Thornton.

9. Board of Governors

RESOLVED, that the following individuals are elected to the Board to serve at the pleasure of the Members of the Company or until their successors are elected and qualified:

Jon McCreary	Governor contemplated by Section 5.03(a) of the Company's Operating Agreement
Todd Erickson	Governor contemplated by Section 5.03(a) of the Company's Operating Agreement
Robert Beekhuizen	Governor contemplated by Section 5.03(b) of the Company's Operating Agreement
Dana Archibald	Governor contemplated by Section 5.03(b) of the Company's Operating Agreement

10. Officers

RESOLVED, that the following individuals are elected as the Company's officers to serve at the pleasure of the Board or until their successors are elected and qualified:

Robert Beekhuizen	President
Todd Erickson	Vice President
Shela Pistoresi	Secretary
Mark Smith	Treasurer

[The remainder of this page is intentionally left blank.]

[Signature page – Unanimous Written Consent of Members of AMI Silica LLC in Lieu of Organizational Meeting.]

IN WITNESS WHEREOF, the undersigned Members have executed this unanimous Written Consent as of July 19, 2021, waiving all notice requirements whether provided by statute or otherwise.

MEMBERS:

JMAC ENERGY SERVICES LLC

By: _____

Name: Jon McCreary

Its: Owner

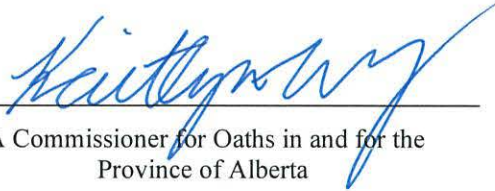
ATHABASCA MATERIALS INC.

By: _____

Name: Robert Beekhuizen

Its: Chief Executive Officer

This is Exhibit "M"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 20th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

Douglas Nishimura
Partner
T 403-260-8548
F 403-264-7084
dnishimura@fieldlaw.com
Assistant: Elvina Hussein
T 403-232-1797
ehussein@fieldlaw.com
Our File: 69215-1

January 23, 2024

VIA EMAIL

Fasken Martineau DuMoulin LLP
3400, 350 - 7 Avenue SW
Calgary, AB T2P 3N9

Bennett Jones LLP
4500, 855 2 Street S.W.
Calgary, AB T2P 4K7

Attention: Robyn Gurofsky / Jessica Cameron

Attention: Michael Selnes

**Re: In the Matter of the Notice of Intention to Make a Proposal of Athabasca Minerals Inc.
("Athabasca") et al
Court of King's Bench File No.: B301 009380**

As you are aware, we are counsel for JMAC Energy Services Inc. ("**JMAC**"). As previously discussed, and pursuant to the court order granted on December 12, 2023, authorizing the Sales Investment Solicitation Process ("**SISP**") and our client's status as stalking horse bidder, JMAC's rights with respect to its contractual right of first refusal ("**ROFR**") over the shares of AMI Silica LLC ("**AMIS**") held by Athabasca have been expressly preserved.

The following is presented to advise Athabasca and the Proposal Trustee of JMAC's legal position as a result of the preservation of rights. JMAC does intend to participate in the SISP and any auction process that may result in the course thereof. However, such participation must not be construed as a waiver of JMAC's ROFR rights or in any way an acknowledgment that the SISP and any other sales process in this matter somehow supersede or eclipse those rights. We further believe that potential bidders should be made aware of this position.

Our client's position is that the AMIS Operating Agreement provides for the ROFR upon the presentation of any third party's *bona fide* offer either for the membership interest of AMIS or the shares of Athabasca, the latter being the 50% owner of all of the membership interest of AMIS, which is governed by US law.

US courts, who have interpreted ROFR provisions such as the one in question have consistently held that a party in the position of Athabasca cannot avoid ROFR requirements by selling the parent company in its entirety rather than just the parent's interested in a subsidiary entity. See *Oregon RSA No. 6 Inc. v. Castle Rock Cellular of Oregon Ltd. Partnership*, 840 F Supp. 770, 7726 (D. Or. 1993), affirmed, 76 F. 3d 1003 (9th Cir. 1996); *Casco Tel. Co. v. Lakefield Commun., Inc.*, 532 N.W. 2d 470 (Wis. App. 1995); *EIG Glob. Energy Partners, LLC v. TCW Asset Mgt. Co.*, CV 12-7173 CAS MANX, 2012 WL 5990113, at *6-7 (C.D. Cal. Nov. 30, 2012); *Re: Asian Yard Partners*, 95-333-PJW, 1995 WL 1781675 (Bankr. D. Del. Sept. 18, 1995); *H-B-S Partn. v. Aircoa Hosp. Services, Inc.*, 114 P. 3d 306, 314 (N.M. App. 2005).

As in the cases cited above, sale of Athabasca or its assets both trigger the ROFR provision, as the parties evidenced a clear intent that third parties would not be permitted to become members and participate in governance of AMIS without unanimous approval of the other party. Further, a sale of shares of Athabasca without affording JMAC its ROFR would defeat this intent.

As previously noted, a transfer of Athabasca's membership interest in AMIS accomplished through a sale of Athabasca would also trigger the restrictions on transferring participation in AMIS' governance under section 11.037(a) of the Operating Agreement.

We are advised by JMAC's US counsel that pursuant to the ROFR provisions, on receipt of a third party offer, Athabasca is obliged to advise JMAC of the substance of the offer and afford JMAC an opportunity to match the same. Therefore, it is our client's position that the ROFR has already been triggered by virtue of the offer to purchase apparently submitted by Badger Mining Corporation prior to the institution of the SISF. Our client's further position is that any bid in the SISF will constitute a further obligation on Athabasca's part to disclose the offer to JMAC and afford JMAC an opportunity to match the offer. Finally, any subsequent bids in an auction process (by parties other than JMAC) will constitute similar triggers for JMAC'S ROFR rights.

The result of the foregoing, it is JMAC's position that steps to retain and set aside the payment exceeding the amount to which the ROFR would apply should be taken, and we are happy to discuss such options which would thereby preserve JMAC's ability to argue its position if necessary.

Again, it is our client's intention to cooperate and fully participate in the SISF. That participation must not be taken in any way to prejudice JMAC's ability to argue the foregoing issues and assert its position in upcoming application.

Sincerely,

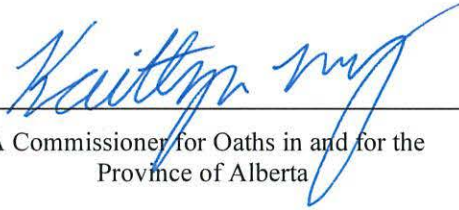
FIELD LLP



Douglas Nishimura
Partner



This is Exhibit "N"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 20th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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Jessica L. Cameron
Direct +1 403.261.9468
jcameron@fasken.com

January 25, 2024
File No.: 318938.00024/23362

By Email

Field Law
400 -444 7 Ave SW
Calgary AB, T2P 0X8

Bennett Jones LLP
4500, 855 2 Street SW
Calgary, AB T2P 4K7

Attention: Douglas Nishimura
(dnishimura@fieldlaw.com)

Attention: Michael Selnes
(selnesm@bennettjones.com)

Dear Mr. Nishimura:

**Re: In the Matter of the Notice of Intention to Make a Proposal of Athabasca Minerals Inc. et al (the “Company”)
Court of King's Bench File No.: B301 009380**

We write further to the above noted matter and your January 23rd, 2024 letter to us. While we have different views on the applicability of the contractual right of first refusal (“**ROFR**”) provided to your client under the LLC Operating Agreement, we believe we are in alignment as to the conduct of any auction process under the sales and investment solicitation process (“**SISP**”) presently underway.

Firstly, we acknowledge the reservation of rights clause contained in the sales process approval order granted by the Court on December 12, 2024 (the “**SISP Approval Order**”). Specifically, paragraph 44 of the SISP Approval Order provides that:

The granting of this Order, including the approval of the SISP, shall be without prejudice to any argument of JMAC regarding the extent and application of a right of first refusal granted to it pursuant to the LLC Operating Agreement, and without prejudice to any of JMAC’s rights under the LLC Operating Agreement, upon the sale of the Applicants’ Property, business, or shares, and any such rights may be exercised notwithstanding that Closing of any transaction under the SISP has occurred, and as if closing has not occurred.

We also note your client’s position in your letter that its participation in any auction conducted under the SISP is not a waiver of this reservation of rights or its ROFR. Where we disagree,



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however, is with respect to the applicability of the ROFR in the first instance, and secondly, what would trigger the ROFR, assuming it applied.

With respect to the former, the Company's position is that a sale of the shares of Athabasca Minerals Inc. ("AMI") does not trigger the ROFR, as the ROFR applies only with respect to a *bona fide* written offer to acquire either AMI's Membership Interest or Economic Interest in AMI Silica LLC ("AMIS LLC"). This position is consistent with the following US cases: *LaRose Mkt. v. Sylvan Ctr.*, 530 N.W.2d 505 (Mich. App. 1995) (agreeing "with defendant and the overwhelming majority of courts of other jurisdictions that have addressed" that the sale of all of a corporation's stock is not a sale triggering a right of first refusal provision); *Airvator, Inc. v. Turtle Mountain Mfg. Co.*, 329 N.W.2d 596, 602 (N.D. 1983) ("[A] corporation is an entity distinct and separate from its shareholders, directors, officers, and agents. . ."; *Excellence Cmty. Mgmt., LLC v. Gilmore*, 351 P.3d 720, 723 (Nev. 2015) ("[U]nlike in asset sales where an entirely different entity is introduced into the equation, in a 100-percent stock sale, there is no new entity because 'the existence of a corporate entity is not affected by changes in its ownership,' and, instead, 'the corporation whose stock is acquired continues in existence, even though there may be a change in its management'"); *Jerry Dickerson Presents, Inc. v. Concert/Southern Chastain Promotions*, 579 S.E.2d 761, 770 (Ga. App. 2003) ("A shareholder's sale of corporate stock, even 100 percent thereof, does not affect the viability and separate nature of the corporate entity, which exists independently of its shareholders"); *Bill Kettlewell Excavating, Inc. v. St. Clair County Health Dep't*, 468 N.W.2d 326, 329 (Mich. App. 1991) ("A corporation is a legal entity distinct from its shareholders, even though all of the stock is held by a single individual. Therefore, while the sale of stock will change the composition of the equity owners of the corporation, the sale does not alter the distinct legal existence of that corporation. This remains true even if the purchaser of the stock is another corporation"); *First Am. Title Ins. Co. v. Northwest Title Ins. Agency, LLC*, 2016 U.S. Dist. LEXIS 144561, at *30-31 (D. Utah, Oct. 18, 2016) ("With a stock purchase, the corporation whose stock is acquired continues in existence, even though there may be a change in its management. . . . [T]he fact that there is a change in ownership of corporate stock does not affect the corporation's existence or its contract rights, or its liabilities"). The cases cited in your letter are inapposite.

Further, we disagree with your position regarding what is required by way of an offer to trigger the ROFR. Your letter indicates that upon receipt of a third party offer, AMI is obliged to advise JMAC of the substance of such an offer and allow JMAC the opportunity to match it. This completely disregards the fundamental requirement of AMI having an intention to accept the offer and sell its interest. Article 11.02 of the LLC Operating Agreement provides that AMI must have a "desire to sell" or an "intention to transfer" its interest in the LLC, coupled with a *bona fide* written offer to trigger the ROFR. In plain words, AMI must be willing to accept the offer presented to it in order to trigger the ROFR. Following your interpretation, a third party could make an offer to AMI to acquire its interest in the LLC for \$1.00 and this offer would need to be presented to JMAC to be "matched". That is completely nonsensical.

Clearly, the competing offer made by Badger Mining Corporation to become the stalking horse bidder in the SISF did not trigger the ROFR, as that offer was ultimately rejected by AMI and your client's stalking horse bid was selected. Furthermore, the entire purpose underlying a stalking



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horse sales process is to utilize the stalking horse bid to set a baseline price in the hopes of achieving competitive tension in a sales process and deriving greater value. Until that sales process has run its course through to the conclusion, there is no intention to accept a stalking horse.

In the result, until the SISP has concluded and a Successful Bid (as defined therein) has been selected in accordance with the process approved by the Court, including conducting an auction if necessary, there is no *bona fide* third party offer that the Company is prepared to accept. It is the Company's position therefore, that if the ROFR applies, it would be triggered by the selection of the Successful Bid in accordance with the SISP.

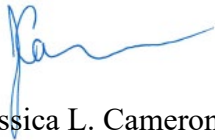
We appreciate your client views things differently; however, based upon the position set forth in your letter, we do not believe there are any impediments to pursuing the auction if necessary. We understand your letter to mean that JMAC will participate in any potential auction conducted in accordance with the SISP essentially under protest, reserving its right to later argue that it should have been afforded the opportunity to exercise its ROFR either at: i) the price submitted by Badger to be the stalking horse bidder, or alternatively ii) at the Starting Bid Price for the Auction, both of which positions we disagree with. If we have misinterpreted your position, please advise.

In light of the foregoing, AMI has every intention to continue to administer the SISP in accordance with its terms, including conducting an auction in the event a Superior Offer is received and seeking Court approval of the highest and best offer arising from that process. Should your client decline to participate in that process, it would do so at its own risk.

Further to your request, please be advised that we intend to place our respective letters in the virtual data room established with respect to the SISP so that all Qualified Bidders are made aware of the parties' respective positions.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP



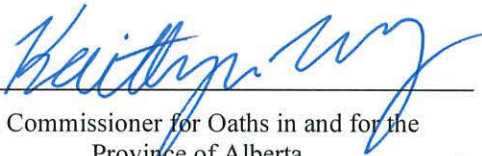
Jessica L. Cameron

JC/

cc: Robyn Gurofsky, Fasken (via email)



This is Exhibit "O"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 20th day of
February, 2024


A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

From: [Jessica Cameron](#)
To: [Michael Selnes](#); [Douglas Nishimura](#); [Keliher, Christopher](#)
Cc: [Andrew Basi](#)
Subject: RE: [EXT] Winning Bid [FMD-CANADA.FID12789198]
Date: February-12-24 11:03:19 AM
Attachments: [image001.png](#)
[image002.png](#)
[304226899_v\(1\)_Letter to D. Nishimura - Jan. 25, 2024.pdf](#)
[304159523_v\(1\)_LF Field Law to Counsel - January 23, 2024.pdf](#)

Hi Doug,

I hope you enjoyed a nice weekend. Further to the Proposal Trustee's email below and the exchange of letters we had in late January (copies of which are attached for ease of reference), can you please confirm for the parties whether JMAC intends to oppose the Company's application for approval of the transaction with Badger on the basis of its asserted rights of first refusal, or otherwise? I understand from my client that JMAC has advised them that they are intending to move forward with Badger as their new partner at the LLC level. While I appreciate you have not reviewed formal application materials in this respect (as they have not yet been drafted), clarity on the path forward would be helpful for everyone. Further, JMAC's position on this will inform whether the Company seeks expert opinion evidence from the United States on the issue of the applicability of the ROFR, which is of course a considerable expense. If this position is no longer being advanced, this would prove to be an unnecessary considerable expense, the avoidance of which would benefit the Company's stakeholders, including your client as a creditor and significant shareholder.

We appreciate your confirmation in this respect and would be happy to have a call to discuss these matters further.

Best,

Jessica Cameron (She/Her)
Partner

T +1 403 261 9468 | jcameron@fasken.com

Fasken Martineau DuMoulin LLP

From: Michael Selnes <SelnesM@bennettjones.com>
Sent: Friday, February 9, 2024 12:44 PM
To: Jessica Cameron <jcameron@fasken.com>; Douglas Nishimura <DNishimura@fieldlaw.com>; Keliher, Christopher <christopher.keliher@blakes.com>
Cc: Andrew Basi <abasi@ksvadvisory.com>
Subject: [EXT] Winning Bid

{CAUTION: This email originated from outside of Fasken. Exercise care before clicking links or opening attachments.}

As you are aware, Bennett Jones LLP represents KSV Restructuring Inc. in its capacity as the Proposal Trustee of Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI Rockchain Inc., Terrashift Engineering Ltd., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (collectively the

“Companies”).

On February 9, 2024, the Proposal Trustee presided over an Auction pursuant to the Sales and Investment Solicitation Process pursuant to the order of the Honourable ACJ D.B. Nixon dated December 12, 2023. The auction was conducted pursuant to the Auction Rules approved in writing by both auction participants Badger Mining Corporation ("**Badger**") and JMAC Energy Services, LLC ("**JMAC**").

The Auction commenced at 10:00 am (MST) and concluded at approximately 11:40 am (MST). Both JMAC and Badger participated in the Auction. Bidding ended in Round 162, when only Badger made an Auction Bid for the Round Bid Amount of \$29,200,000.00.

Pursuant to paragraph 26 of the Auction Rules, Badger made the only Auction Bid in round 162 and therefore the Auction was closed.

Following the close of the Auction, the Proposal Trustee, in consultation with Companies and Sales Agent (Canaccord Genuity Corp.) has selected Badger as having made the Winning Bid, as defined in paragraph 27 of the Auction Rules. The Winning Bid is in the amount of \$29,200,00.00.

Pursuant to paragraph 27 of the Auction Rules, the Proposal Trustee understands that the Companies will be reaching out to Badger to enter into the definitive agreement as contemplated therein.

The Proposal Trustee notes that pursuant to paragraph 28 of the Auction Rules, Badger's Winning Bid is irrevocable and binding on Badger.

The Proposal Trustee further notes that pursuant to paragraph 30 of the Auction Rules, JMAC is designated the Backup Bidder. JMAC's Backup Bid is in the amount of \$29,100,000.00. The Proposal Trustee notes that JMAC is required to keep this Backup Bid open until the earlier of: i) two Business Days after the closing of the Transaction with Badger; or (ii) the Outside Date.

The Proposal Trustee appreciates all Auction Bidders efforts over the week to ensure the Auction proceeded as planned.

Regards,
Mike

Michael Selnes (he/him)
Associate, Bennett Jones LLP
4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. [403 298 3311](tel:4032983311) | F. [403 265 7219](tel:4032657219)



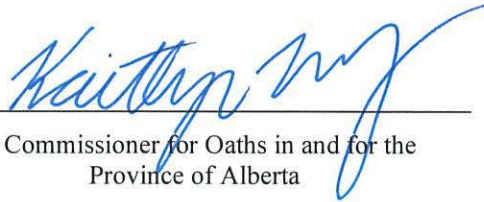
[BennettJones.com/100Years](https://www.BennettJones.com/100Years)

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This is Exhibit "P"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 26th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

Douglas Nishimura

Partner

T 403-260-8548

F 403-264-7084

dnishimura@fieldlaw.com

Assistant: Elvina Hussein

T 403-232-1797

ehussein@fieldlaw.com

February 14, 2024

Our File: 77794-5

VIA EMAILBennett Jones LLP
4500, 855 2 Street S.W.
Calgary, AB T2P 4K7KSV Advisory Inc.
1165, 324 - 8 Avenue S.W.
Calgary, AB T2P 2Z2**Attention: Michael Selnes****Attention: Andrew Basi**Blake, Cassels & Graydon LLP
3500, 855 - 2 Street S.W.
Calgary, AB T2P 4J8**Attention: Christopher Keliher****Re: In the Matter of the Notice of Intention to Make a Proposal of Athabasca Minerals Inc.
("Athabasca") et al
Court of King's Bench File No.: B301 009380**

As you are aware, we act for JMAC Energy Services Inc. ("**JMAC**"). We write in response to your email of February 12, 2024. Firstly, I am afraid the understanding from your client in the third sentence of your email is incorrect. There has been no communication to that effect from my client.

As you are aware, pursuant to the Sales and Investment Solicitation Process ("**SISP**") and paragraph 44 of the Order approving the SISP granted December 12, 2024, my client's rights with respect to the Right of First Refusal contained in the Operating Agreement for AMI Silica LLC were expressly preserved.

It is our client's position that the ROFR was triggered by the executed Subscription Agreement by Badger Mining Corporation of \$13.1 million reflected in its Subscription Agreement dated January 31, 2024. We have previously shared with you our position, guided by our client's US counsel's advice, that our client's ROFR cannot be avoided through the purchase of all of the shares of Athabasca, as such actions are seen by US Courts as an attempt to defeat the intent and purpose of ROFR.

Please be advised that my client will be initiating procedures in the United States to enforce the ROFR, as the contract is governed by the laws of the State of North Dakota. In the present BIA proceedings, we will be bringing a Cross Application on March 8, 2024, for an Order in respect of preserving JMAC's rights pending resolution of the US Action. It may be that there could be a process arranged whereby funds for creditors and shareholders up to the amount of the offer to which the ROFR would apply could be distributed, but we would need to discuss those terms.

We are happy to discuss the foregoing with you at your convenience.

Sincerely,

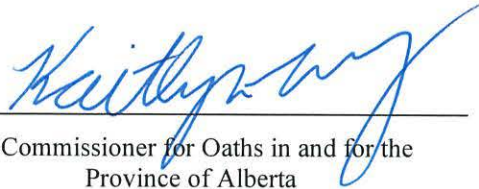
FIELD LLP

A handwritten signature in black ink, appearing to read 'D. Nishimura', written in a cursive style.

Douglas Nishimura
Partner



This is Exhibit "Q"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 20th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
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3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

FASKEN

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fasken.com

February 15, 2024
File No.: 318938.00024/23362

Jessica Cameron
Direct +1 403 261 9468
jcameron@fasken.com

Via Email (dnishimura@fieldlaw.com)

Field Law
400 – 444 7 Avenue SW
Calgary, AB T2P 0X8

Attention: Douglas Nishimura

Dear Mr. Nishimura,

**Re: 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 Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI Rockchain Inc., TerraShift Engineering Inc., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. (together, the “Applicants” or the “Company”)
Court File No. 25-3009380**

We are in receipt of your letters dated February 14th and 15th, 2024. Thank you for clarifying your client’s position respecting the exercise of the right of first refusal contained in the LLC Operating Agreement, as that was not clear from conversations had amongst our respective clients.

Notwithstanding your client’s position, please be advised that the Company intends to proceed with its application to approve the transaction with Badger Mining Corporation in its proposal proceedings pursuant to the *Bankruptcy and Insolvency Act* (Canada), before the Alberta Court of King’s Bench (the “**Court**”). As we’ve previously advised, it is the Company’s position that the Alberta Court has the jurisdiction to determine this dispute within the BIA proposal proceedings and is the more appropriate forum to do so. While we recognize that the LLC Operating Agreement is governed by the laws of North Dakota, there is neither an attornment nor a forum selection clause.

Further, it remains our client’s position that the ROFR is inapplicable to the Badger Transaction, which involves a sale of the shares of the Company, and not the Company’s interest in its LLC membership units, advice we note is also guided by the Company’s US counsel.

In that regard, please be advised that the Company has retained Zachary Pelham of Pearce Durick PLLC as its US Counsel. In the event your client does in fact initiate proceedings in the United States, please ensure that both our office and Mr. Pelham are served with any materials in relation to such US proceedings. Mr. Pelham’s contact details are as follows:



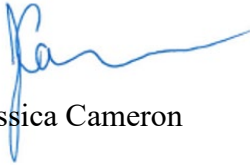
FASKEN

Pearce Durick PLLC
314 E. Thayer Avenue
Bismarck, ND 58502
Main 701.223.2890 | Fax 701.223.7865
Email: zep@pearce-durick.com

Lastly, the Company is aware of its fiduciary duties respecting maintaining the confidence of confidential information concerning AMI Silica LLC. Our client has confirmed to us that they have not, and will not, disclose confidential information regarding AMI Silica LLC to Badger at this time.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Jessica Cameron

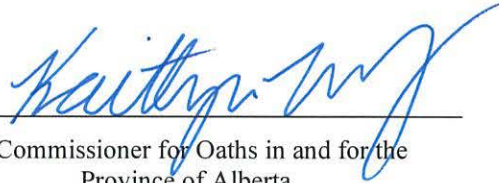
cc: *Andrew Basi (KSV Restructuring Inc.)
Proposal Trustee*

*Michael Selnes (Bennett Jones LLP)
Counsel to the Proposal Trustee*

*Christopher Keliher (Blake, Cassels & Graydon LLP)
Counsel to Badger Mining Corporation*



This is Exhibit "R"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 26th day of
February, 2024



A Commissioner for Oaths in and for the
Province of Alberta

Kaitlyn Wong
Barrister & Solicitor
3400, 350 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-7388

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,
AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.
Cash Flow Forecast
February 19, 2024 to May 19, 2024

For the week ending, In CAD	Notes	Forecast Week 1 25-Feb-24	Forecast Week 2 3-Mar-24	Forecast Week 3 10-Mar-24	Forecast Week 4 17-Mar-24	Forecast Week 5 24-Mar-24	Forecast Week 6 31-Mar-24	Forecast Week 7 7-Apr-24	Forecast Week 8 14-Apr-24	Forecast Week 9 21-Apr-24	Forecast Week 10 28-Apr-24	Forecast Week 11 5-May-24	Forecast Week 12 12-May-24	Forecast Week 13 19-May-24	Total
Opening cash balance	1	1,158,829	1,152,143	939,227	536,227	468,227	447,727	0	0	0	0	0	0	0	1,158,829
Cash Receipts															
Cash Collections	2	-	25,460	104,500	19,000	-	-	-	-	-	-	-	-	-	148,960
		-	25,460	104,500	19,000	-	-	-	-	-	-	-	-	-	148,960
Cash Disbursements															
Operating Expenses															
Wages, salaries, and benefits	3	90	50,612	8,000	57,000	-	53,000	-	-	-	-	-	-	-	168,702
Utilities	4	947	-	500	-	1,500	-	-	-	-	-	-	-	-	2,947
Other operating expenses	5	5,648	64,387	19,000	30,000	19,000	-	-	-	-	-	-	-	-	138,035
Rent	6	-	14,860	-	-	-	-	-	-	-	-	-	-	-	14,860
		6,685	129,859	27,500	87,000	20,500	53,000	-	-	-	-	-	-	-	324,544
Other Disbursements															
AMI Silica LLC - funding	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other disbursements	7	-	-	380,000	-	-	-	-	-	-	-	-	-	-	380,000
Anticipated capital expenditures	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	380,000	-	-	-	-	-	-	-	-	-	-	380,000
Debt Repayment															
Interest & principal		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements		6,685	129,859	407,500	87,000	20,500	53,000	-	-	-	-	-	-	-	704,544
Professional Costs	9														
Company counsel legal fees		-	10,000	100,000	-	-	394,727	-	-	-	-	-	-	-	504,727
Trustee fees		-	57,430	-	-	-	-	-	-	-	-	-	-	-	57,430
Trustee's counsel fees		-	41,087	-	-	-	-	-	-	-	-	-	-	-	41,087
Total Professional Costs		-	108,517	100,000	-	-	394,727	-	-	-	-	-	-	-	603,244
Net cash flow		(6,685)	(212,916)	(403,000)	(68,000)	(20,500)	(447,727)	-	-	-	-	-	-	-	(1,158,828)
Interim financing															
Interim financing advances / (repayments)	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash (operating line) balance		1,152,143	939,227	536,227	468,227	447,727	0	0	0	0	0	0	0	0	0

Management of Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd. (collectively "AMI" or the "Companies") has prepared this forecasted cash-flow statement (the "Cash Flow Forecast") based on probable and hypothetical assumptions detailed in Notes 1 to 10. The Cash Flow Forecast has been prepared on a consolidated basis, as the Companies have been granted a consolidation order by the Court. The Cash Flow Forecast has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by each of the Companies on November 13, 2023. As such, readers are cautioned that it may not be appropriate for their purposes. The Cash Flow Forecast of the Companies is prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash-flow Statement.

Dated at the City of Calgary in the Province of Alberta, this 26th day of February 2024.

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,
AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.

Per:

David Churchill
Chief Financial Officer

KSV Restructuring Inc.

Per:

Andrew Basi, CPA, CA, CIRP, LIT
Managing Director

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,
AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.
Notes to the Cash Flow Forecast
February 19, 2024 to May 19, 2024

Note 1

Consolidated cash balance for all Athabasca entities. Please note only the following entities have bank accounts: Athabasca Minerals Inc., AMI RockChain Inc. (formerly Aggregates Marketing Inc.), AMI Silicia Inc., TerraShift Engineering Ltd. 2132561 Alberta Ltd. and 2140534 Alberta Ltd. The following entities do not have bank accounts: AMI Aggregates Inc. The Cash Flow Forecast assumes that the Transaction will close on March 31, 2024, however the actual closing date may be prior to or later than this forecasted date. The Cash Flow Forecast does not reflect any cash transactions related to ResidualCo.

Note 2

Athabasca Minerals Inc. owns a 50% interest in AMI Silicia LLC. The only cash flow for AMI is through monthly management fees and reimbursement of expenses from AMI Silicia LLC. Monthly management fees are not being paid due to insufficient working capital in the AMI Silicia LLC. AMI Silicia LLC is currently experienced working capital shortfall that has been funded with a cash call by its two equity holders in December 2023. Cash is being very tightly managed in the LLC

Note 3

Athabasca Minerals Inc. has 9 employees. The other entities do not have employees. Payroll is mid month and month end. Employee benefits are through Equitable Life and are paid at month end.

Note 4

Utilities are for EPCOR and Direct Energy for the Edmonton office. Calgary office utilities are included in rent

Note 5

Other operating expenses are as follows: Third party IT support, office supplies, water for office, Xerox for photocopier in Edmonton office, Telus mobility, Shaw internet, Shaw phone, Website management, fuel for company vehicles, janitorial services for the Edmonton office.

Note 6

Rent for both office leases in Calgary and Edmonton. Property taxes are included in the monthly lease payments.

Note 7

Other disbursements include amounts for D&O run-off insurance that will need to be paid 7 days before closing. A Prosvita Land option payment of \$50,000 is required to be paid in March which is required to retain the asset.

Note 8

Capital expenditures are required to maintain the in-basin sand development project leases in Montney BC.

Note 9

Trustee fees to KSV Restructuring and their legal counsel, Bennett Jones and to Fasken as AMI counsel and its US counsel with respect to US legal matters.

Note 10

AMI has reached an agreement with JMAC Energy Services LLC to advance a DIP facility in the amount of \$2,850,000 less \$25,000 as a DIP facility fee. This was advanced in December 2023. This cash flow assumes no further DIP financing is required and that the current factoring arrangements between JMAC and AMIS LLC will continue in the normal course.