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COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

Dec 12, 2023
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PROCEEDING

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., 2140534 ALBERTA LTD.,
2132561 ALBERTA LTD.

DOCUMENT

FIRST REPORT OF THE PROPOSAL TRUSTEE
DECEMBER 8, 2023

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

PROPOSAL TRUSTEE

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Contents	Page
1.0 Introduction	1
2.0 Background	4
3.0 Activities of the Companies and Proposal Trustee.....	10
4.0 Cash Flow Statement	12
5.0 Consolidation.....	14
6.0 Sale and Investment Solicitation Process (SISP).....	15
7.0 Court Ordered Charges	19
8.0 Companies' Request for an Extension.....	23
9.0 Conclusion and Recommendation	23

Appendix	Tab
Certificates of Filing dated November 13, 2023	A
Cash Flow Forecast and Management's Report thereon	B
Proposal Trustee's Report on Cash Flow Forecast.....	C
Comparison of Projected to Actual Cash Flow.....	D
Second Cash Flow Statement for the period December 4, 2023 to March 3, 2024 with the Companies' and Trustee's Reports on the Second Cash Flow Statement Dated December 7, 2023.....	E

1.0 Introduction

1. This first report (this “**First Report**”) is filed by KSV Restructuring Inc. (“**KSV**”), in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) in connection with Notices of Intention to Make a Proposal (“**NOIs**”) filed on November 13, 2023 (the “**Filing Date**”) by Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI Silica Inc., and TerraShift Engineering Ltd. (collectively, the “**Companies**” or “**AMI**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). Copies of the certificates of filing issued by the Office of the Superintendent of Bankruptcy are collectively attached hereto as **Appendix “A”**.
2. The principal purpose of the NOI proceedings (these “**Proceedings**”) is to provide for a stay of proceedings to allow the Companies an opportunity to complete a court supervised sales and investment solicitation process to maximize value of the Companies’ assets for the benefit of its stakeholders; and provide a formal process for AMI’s creditors and stakeholders to obtain information about the Companies.

1.1 Purposes of this First Report

1. The purpose of this First Report is to provide the Court of King’s Bench of Alberta (the “**Court**”) with further information related to the relief sought by the Companies on their application scheduled for December 12th, 2023. This First Report specifically provides information regarding:
 - a) the background on the Companies, their financial position, and the reasons for the NOI filings;
 - b) the Proposal Trustee’s activities since the Filing Date;
 - c) the Companies’ activities since the Filing Date;
 - d) the Proposal Trustee’s comments and report on the Companies’ cash flow statement for the period commencing on November 13, 2023 and ending February 11, 2024 (the “**Cash Flow Statement**”) filed in the Proceedings pursuant to section 50.4(2)(a) of the BIA;

- e) the Proposal Trustee’s comments and report on the Companies’ cash flow statement for the period commencing on December 4, 2023 and ending March 3, 2024 (the “**Second Cash Flow Statement**”);
- f) the Companies’ actual performance to date versus the Cash Flow Statement; and
- g) AMI’s application for an Order (the “**First Extension Order**”) which includes, amongst other matters, relief for the following:
 - i. extending the period in which AMI can make a proposal to its creditors and the stay of proceedings up to and including January 26, 2024 (the “**Stay Extension**”);
 - ii. authorizing the Companies to conduct a sale and investment solicitation process (the “**SISP**”);
 - iii. consolidating the Proceedings for both procedural and substantive purposes (the “**Proposed Consolidation**”);
 - iv. granting the following charges against AMI’s current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situate, including all proceeds thereof (collectively the “**Property**”) in the following relative priorities:
 - i. First – a charge to not exceed \$350,000 as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s counsel, Bennett Jones LLP (“**BJ**”), and the Companies’ counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”) (the “**Administration Charge**”);
 - ii. Second – a charge in the maximum amount of \$2,850,000 (the “**Interim Financing Facility**”) in respect of amounts borrowed from the Interim Lenders (as defined herein) under the Interim Financing Facility (the “**Interim Lenders Charge**”);
 - iii. Third – a charge in favour of the Sales Advisor (as defined herein) to a maximum amount of \$450,000 (the “**Sales Advisor Charge**”);

- iv. Fourth - a charge in favour of the Companies' directors and officers (collectively, the "**Directors and Officers**") to a maximum amount of \$60,000 (the "**D&O Charge**"); and
- v. Fifth – a charge in favour of the Key Employee Retention Plan (the "**KERP**") for amounts payable to certain key employees up to a maximum amount of \$260,000 (the "**KERP Charge**").

1.2 Scope and Terms of Reference

1. In preparing this First Report, the Proposal Trustee has relied upon the Companies' unaudited financial information, books and records, information available in the public domain and discussions with the Companies' management and legal counsel.
2. The Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this First Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.
3. An examination of the Cash Flow Forecast (as defined herein) as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this First Report is based upon the Companies' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Proposal Trustee expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.
4. This First Report should be read in conjunction with the materials filed by the Companies, including the Affidavit of John David Churchill, the Chief Financial Officer of the Companies, sworn December 6, 2023 (the "**Churchill Affidavit**") and the Supplemental Affidavit of John David Churchill sworn December 8, 2023. Capitalized terms not defined in this First Report have the meanings ascribed to them in the Churchill Affidavit.

1.3 Currency

1. Unless otherwise noted, all currency references in this First Report are in Canadian dollars.

1.4 Court Materials

1. Court materials filed in these Proceedings are available on the Proposal Trustee's website at: www.ksvadvisory.com/experience/case/athabasca-minerals (the "**Case Website**").

2.0 Background

1. AMI is a corporation amalgamated under the laws of the Province of Alberta and, through its subsidiaries, is in the business of exploring and developing aggregates and industrial minerals in the Province of Alberta. The registered office of AMI is located in Edmonton, Alberta, with its corporate office located in Calgary, Alberta. AMI is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario. The common shares of AMI are listed for trading on the TSX Venture Exchange ("**TSX-V**") under the symbol "AMI". Due to the filing of the Proceedings, the trading of AMI's common shares has been suspended. At the time of this trading suspension, AMI had an approximate market capitalization of \$10.6 million. AMI is an integrated group of companies providing full life-cycle development and supply of aggregates and industrial minerals. AMI is the parent, either directly or indirectly, to the following subsidiaries:
 - a) AMI Silica Inc. ("**Silica**") – has resource holdings in Alberta;
 - b) AMI Aggregates Inc. ("**Aggregates**") – produces and sells aggregates from its corporate pits and until June 30, 2023, managed the Coffey Lake Public Pit on behalf of the Government of Alberta;
 - c) AMI RockChain ("**RockChain**") – is a midstream, technology-enabled business using its proprietary digital platform, automated supply-chain and logistics solutions to deliver products across Canada;

- d) TerraShift Engineering Ltd. (“**TerraShift**”) – conducts resource exploration, regulatory, mining, environmental and reclamation engineering for customers. AMI phased out the operations of TerraShift in 2022;
 - e) 2132561 Alberta Ltd. (“**213**”) – holds the Companies’ interests in the Montney Project which is an exploration project in Northeastern British Columbia. This project is in the advanced stages of exploration; and
 - f) 2140561 Alberta Ltd. (“**214**”) – holds the Companies’ interests in the Prosvita Sand Project which is located in North Central Alberta. 214 is currently undergoing regulatory approvals and permitting processes with the Alberta Ministry of Environment and Protected Areas in relation to this project.
2. AMI holds a 50% interest in AMI Silica LLC (“**AMIS LLC**”), an entity that is not a party to these proceedings. The other 50% ownership is held by JMAC Energy Services LLC (“**JMAC**”). AMIS LLC is a limited liability company, incorporated pursuant to the laws of the State of North Dakota. AMIS LLC’s mining operation is located in Hixton, Wisconsin and produces high quality silica sand that can meet a wide range of markets. The operation has a large volume production capacity, which can deliver high quality products used in a number of market applications. The Hixton operation includes 440 hectares of land, a fully functional and staffed mine and processing plant capable of 2.4 million tons of sand production annually, fixed storage, rail transloading capabilities of roughly 100 railcar shipments with 6-day a week service on Canadian National Railway, mobile equipment and active supply chain contracts. For the fiscal year ending December 2022, AMIS LLC had revenue of approximately \$43.5 million and net assets of \$46.9 million.
 3. As of the filing date, AMI had nine employees. Five are located in the corporate office in Calgary, Alberta and four are located in the office in Edmonton, Alberta.
 4. Additional background information on the Companies including a copy of AMI’s corporate organizational structure is included in the Churchill Affidavit.

2.1 Financial Difficulties

1. AMI has incurred inconsistent revenue and low gross margins, which has resulted in the inability to generate the cash flow required to sustain the Companies. The Companies generated operating losses of approximately \$10.3 million and \$2.5 million in fiscal years 2022 and 2021, respectively. Further, the 50% interest in AMIS LLC does not generate sufficient cash flows available for AMI; rather, it requires significant cash requirements to sustain a growing business with working capital requirements. AMIS LLC is currently requesting a cash call from AMI in the approximate amount of \$2 million USD to support the cash needs of AMIS LLC to fund critical operating expenses, including transloading expenses.
2. Over the course of 2023, the Companies disposed of non-core assets to provide a source of cash to fund the liquidity requirements of the Companies. However, the Companies continue to face liquidity issues, both current and prospectively.
3. A summary of the Companies' consolidated financial results for their fiscal years ended December 31, 2021 and 2022, and the 9 months ended September 30, 2023, is presented in the table below:

(\$000s)	9 months ended Sept 30, 2023 (unaudited)	Fiscal 2022 (audited)	Fiscal 2021 (audited)
Net revenue	2,032	12,441	7,154
Cost of sales	(1,522)	(11,520)	(6,286)
Gross profit	510	921	868
Operating expenses	(3,516)	(11,299)	(3,442)
Operating Loss	(3,006)	(10,378)	(2,574)
Non-operating income/(expenses)	(2,128)	23,114	406
Net Loss	(5,134)	12,736	(2,168)

4. As reflected above, the Companies have incurred significant and recurring operating losses.
5. The operating losses described above, and the working capital issues described below, have resulted in the Companies' liquidity issues necessitating these Proceedings.

2.2 Assets

1. Based on the Companies' most recent available financial statements, a summary of the Companies' assets as at September 30, 2023 is provided below:

Description	Book Value (\$000s)
Cash	2,066
Accounts receivable	180
Holdback receivable	400
Prepaid expenses and deposits	278
Joint venture loan receivable	677
Long term deposits	789
Restricted cash	120
Right of use assets	254
Investment in joint venture	20,507
Intangible assets	24
Resource properties	6,232
Total	31,530

- Cash: comprised of cash on deposit with financial institutions but excluding restricted cash;
- Accounts receivable: comprised of amounts owing from customers less amounts for doubtful accounts;
- Holdback receivable: comprised of holdback amounts related to asset dispositions in June 2023. In November 2023, \$300,000 of the holdback was released to the Companies and the current balance owing is \$100,000, which is expected to be released upon completion of outstanding regulatory obligations in relation to a lease;
- Prepaid expenses and deposits: comprised of deposits and prepaid expenses related to operations;
- Joint venture loan receivable: comprised of the net amounts due and owing from original amounts invested in AMIS LLC;

- Long term deposits: comprised of security deposits on gravel, exploration and miscellaneous leases;
- Restricted cash: comprises amounts for guaranteed investment certificates used to secure obligations related to a performance bond and a corporate credit card facility;
- Right of use assets: comprised of amounts related to the Calgary office lease and office equipment leases;
- Investment in joint venture: comprised of amounts recorded on the Companies' balance sheet for AMI's 50% ownership share of AMIS LLC;
- Intangible assets: comprised of amounts capitalized related to customer relationships and software costs; and
- Resource properties: comprised of amounts related to exploration and pit development costs incurred across the Companies' various operations and development projects.

2.3 Liabilities

1. As at the Filing Date, the Companies have liabilities in the approximate amount of \$6.43 million that include, among other things:
 - a) secured obligations of approximately \$2,000,000 due to JMAC plus accrued interest and expenses (the "**JMAC Facility**");
 - b) secured obligations of approximately \$500,000 due to Trisura Guarantee Insurance Company ("**Trisura**" and the "**Trisura Bond**");
 - c) secured obligations of approximately \$180,000 related to uninsured letters of credit ("**LCs**") issued by Canadian Western Bank ("**CWB**" and the "**CWB LCs**"); and
 - d) unsecured amounts due of approximately \$3,750,000.

JMAC Facility

2. AMI is a borrower under a Non-Revolving Term Loan Agreement between AMI and JMAC dated February 29, 2023, as amended June 30, 2023. JMAC has advanced to AMI the principal amount of \$2 million, with current interest payable thereon at a rate of 14%.

3. The JMAC facility is secured by way of:
 - a) a general security agreement dated February 28, 2023, charging all present and after-acquired real and personal property, including proceeds, of AMI; and
 - b) guarantees provided by each of AMI's subsidiaries, being Aggregates, Silica, RockChain, TerraShift, 213 and 214 (the "**Guarantors**"), but excluding AMIS LLC, which guarantees were also secured by general security agreements charging all present and after-acquired real and personal property, including proceeds, of the Guarantors.
4. Copies of the JMAC Facility loan agreements are attached to the Churchill Affidavit at Exhibit H.

Trisura Bond

5. Trisura issued a \$500,000 bond that is held by the Government of Alberta in relation to the Coffey Lake Public Pit. The Trisura Bond carries a 2% interest rate. Security for the performance bond is based on the appraised value of the Companies' exploration holdings and a \$100,000 letter of credit secured by a GIC in the same amount, which is held as additional security. The Companies have advised that they anticipate that the performance bond and related letter of credit will be released within a short period of time as the Coffey Lake Public Pit was sold, and the purchaser is in the process of obtaining their own security.

CWB LCs

6. The Companies have seven outstanding LCs issued by CWB totalling approximately \$1 million. The Proposal Trustee understands that the CWB LCs are all related to aggregate assets that have been sold Filing Date. Management has advised the Proposal Trustee that the purchasers of the assets are contractually required to post security with relevant governmental authorities pursuant to the purchase and sale agreements. Once this occurs, the LCs will be cancelled. The Companies have advised the Proposal Trustee that they expect that all of the outstanding CWB LCs will be cancelled in December 2023 or early in 2024. Of the seven CWB LCs, the Proposal Trustee understands that all but one of the seven CWB LCs are insured by Export Development Canada. The remaining uninsured CWB LC is issued by CWB in the amount of \$180,000.

Unsecured Creditors

7. As at the Filing Date, per the Companies' books and records, the Companies' unsecured liabilities totaled approximately \$3,750,000, consisting of:
 - a) unsecured shareholder loans of approximately \$2.4 million;
 - b) approximately \$453,000 owing to unsecured creditors (excluding off-balance sheet obligations, such as employee and landlord claims). This amount has been updated from the creditor list provided with the notice to creditors as a result of updated balances obtained from vendors and suppliers;
 - c) CEBA loans owing in the amount of approximately \$300,000;
 - d) unsecured amounts of \$550,000 due to JMAC for a break fee pursuant to the terms of the Arrangement Agreement (as defined herein); and
 - e) outstanding Environmental Reclamation Obligation ("**ERO**") for the Firebag sand project, with a current estimated liability of \$176,800. This ERO is partially secured by a \$79,970 cash deposit with the Alberta Government.
8. AMI, RockChain and TerraShift have been listed as defendants in a wrongful dismissal civil claim filed with the Alberta Court of Justice for \$183,365. They have filed a defence in the lawsuit denying any wrongdoing or liability to the plaintiff in that action.
9. The Companies' preliminary list of creditors was filed with its NOI statutory documents and is available on the Case Website.

3.0 Activities of the Companies and Proposal Trustee

3.1 Activities of the Proposal Trustee

1. Since its appointment, the Proposal Trustee has performed the following key activities:
 - a) attending on-going meetings with management to discuss the proposal process and the sales process;
 - b) assisting the Companies with their communications to both internal and external stakeholders;

- c) filing the necessary prescribed forms required pursuant to the BIA for the NOI;
- d) issuing the required notice pursuant to section 50.4(6) of the BIA to all known creditors of the Companies;
- e) monitoring the affairs of the Companies' business including reviewing financial information with management;
- f) assisting the Companies in preparing the Cash Flow Statement;
- g) corresponding and holding numerous discussions with management and AMI's restructuring counsel, Fasken, with respect to general filing matters and specific matters related to the stalking horse bidders and the development of the SISP;
- h) reviewing and providing comments on the KERP;
- i) engaging BJ as legal counsel to the Proposal Trustee;
- j) corresponding and holding numerous discussions with various stakeholders, and/or respective legal counsel to stakeholders;
- k) responding to calls and emails from creditors, suppliers, customers, and other stakeholders;
- l) maintaining the Case Website for these Proceedings; and
- m) preparing this First Report.

3.2 Activities of the Companies

1. The Proposal Trustee has observed certain key activities of the Companies since filing the NOI as follows:
 - a) continuing their efforts to improve the operations of the business and managing day to day operations;
 - b) communicating with various stakeholders and creditors regarding the Proceedings, in consultation with the Proposal Trustee;
 - c) negotiating with multiple parties to obtain interim financing and a stalking horse bid and negotiate the most favourable terms;

- d) with the assistance of its legal counsel and the Proposal Trustee, developing the SISP and negotiating the Stalking Horse Term Sheet (as defined herein);
- e) with the assistance of its legal counsel and in consultation with the Proposal Trustee, developing the proposed KERP;
- f) with the assistance of the Proposal Trustee, responding to various questions by vendors;
- g) corresponding with the Companies' legal counsel, Fasken, and the Proposal Trustee;
- h) communicating on an ongoing basis with certain creditors and/or their advisors;
- i) reporting to the Proposal Trustee on a weekly basis in respect of the Companies' receipts and disbursements;
- j) negotiating the Interim Financing Facility with the Interim Lenders (as defined herein), as discussed in further detail herein;
- k) working with the Proposal Trustee in preparing the Cash Flow Statement;
- l) negotiating an agreement with the Sales Advisor (as defined herein); and
- m) working with their legal counsel and Proposal Trustee to prepare materials for the First Extension Order.

4.0 Cash Flow Statement

1. Pursuant to the BIA, the Companies prepared the Cash Flow Statement for the stay extension period. The Cash Flow Statement for the period ending February 11, 2024 (the "**Period**"), together with Management's Report on the Cash-Flow Statement as required by subsection 50.4(2)(c) of the BIA, are collectively attached hereto as **Appendix "B"**.
2. The Cash Flow Statement was prepared by the Companies with the assistance of the Proposal Trustee. The Companies' receipts during the Period are comprised largely of collection of deposits related to dispositions and management fees and expense reimbursements from AMIS LLC. Projected disbursements are primarily for funding AMIS LLC operations, payroll and benefits, insurance, contractor payments, utilities, and other operating expenses and professional fees.

3. Based on the Proposal Trustee’s review of the Cash Flow Statement, there are no material assumptions which seem unreasonable. The Proposal Trustee’s Report on the Company’s Cash Flow Statement as required by subsection 50.4(2)(b) of the BIA is attached as **Appendix “C”**.

4.1 Performance Against the Cash Flow Statement

1. In accordance with section 50.4(7)(b)(ii) of the BIA, the Proposal Trustee has continued to review and evaluate the state of the Companies’ business and financial affairs since the Filing Date.
2. The Companies have remained current in respect of its obligations that have arisen since the Filing Date.
3. A review process has been established with the Companies to review weekly cash variances. A comparison of AMI’s receipts and disbursements to the Cash Flow Statement for the period from the Filing Date to November 25, 2023 (the **“Post-Filing Reporting Period”**) is attached hereto as **Appendix “D”**. A summary of the comparison is as follows:

Post Filing Reporting Period in CAD	Actual	Cash Flow Statement	Favourable / (Unfavourable) Variance
Opening Cash	\$ 1,280,826	\$ 1,280,826	\$ -
Receipts	13,207	13,207	-
Operating Disbursements	34,969	125,284	90,315
Net Cashflow from Operations	(21,762)	(112,077)	90,315
Non-Operating Disbursements	767	2,000	1,233
Net Cashflow	(22,529)	(114,077)	91,548
Interim Financing Advances	-	-	-
Ending Cash Balance	\$ 1,258,297	\$ 1,166,749	\$ 91,548

Proposal Trustee's Comments

4. For the Post-Filing Reporting Period, total cash receipts were as forecasted with no variance from the Cash Flow Statement.
5. For the Post-Filing Reporting Period, operating disbursements were \$90,315 less than forecasted in the Cash Flow Statement and non-operating disbursements were \$1,233 less than forecasted in the Cash Flow Statement. The Proposal Trustee has reviewed the variances with the Companies and the variances are largely attributable to timing differences.

4.2 The Second Cash Flow Statement

1. The Companies prepared the Second Cash Flow Statement, on a weekly basis, for the Second Cash Flow Period from December 4, 2023 to March 3, 2024. The Second Cash Flow Statement has been prepared by the Companies using probable and hypothetical assumptions set out therein. The Second Cash Flow is attached to this Report as **Appendix "E"**.
2. The Second Cash Flow Statement is largely consistent with the Cash Flow Statement except for the time period covered, inclusion of the KERP payments and revisions on the timing of payments.

5.0 Consolidation

1. The Companies are seeking to consolidate the Proceedings for both procedural and substantive purposes to allow a joint proposal to be voted on by creditors of the Companies at a single First Meeting of Creditors. The Proposal Trustee supports the Proposed Consolidation for the following reasons:
 - a) the Companies' operations are integrated with the same management team responsible for operations;
 - b) there is significant overlap of the creditors amongst each one of the Companies, including JMAC which has security over all of the Companies;
 - c) the Companies are anticipating the SISF will result in a sale of all of the Companies; and

- d) the Proposal Trustee does not believe any creditor would be prejudiced by the Proposed Consolidation and one of the benefits to creditors will be a more efficient and economical Proceeding.

6.0 Sale and Investment Solicitation Process (SISP)

1. As set out in the Churchill Affidavit, in March, 2023, the Companies commenced an out-of-court strategic process seeking a sale, financing alternatives, or other business combinations (the “**Pre-Filing Sales Process**”). The Pre-Filing Sales Process included engaging Canaccord Genuity Inc. (“**Canaccord**”) as the sales advisor (“**Sales Advisor**”). A number of parties actively participated in the Pre-Filing Sales Process. Ultimately, the Companies selected a bid from JMAC to acquire AMI and entered into an agreement with JMAC to purchase AMI through a share transaction (the “**Arrangement Agreement**”). As described in the Churchill Affidavit, the Arrangement Agreement with JMAC was terminated by JMAC on November 10, 2023. The notice of termination referenced conditions pursuant to the Arrangement Agreement that were not satisfied and the breach of representations and warranties as set out in the Arrangement Agreement, emanating from the Companies’ restatement of their consolidated financial statements, as further described in the Churchill Affidavit.
2. Given the level of interest shown during the Pre-Filing Sales Process and in order to continue the sales process, the Companies are seeking approval of the SISP, which was developed in consultation with the Proposal Trustee to solicit interest in, and opportunities for, an acquisition, restructuring or other form of reorganization of the business and affairs of the Companies.
3. In general, the proposed SISP sets out, among other things:
 - a) the participation requirements to participate in the SISP;
 - b) the manner and timelines by which any interested party may gain access to due diligence materials concerning the Companies and its business;
 - c) publication of Notice and Teaser and data room requirements;
 - d) the manner, requirements and timelines by which Potential Bidders may submit a binding offer;

- e) a copy of the Stalking Horse Term Sheet;
 - f) SISP timelines;
 - g) details on the auction process if one or more Superior Offers are received and the requirements to participate in the Auction;
 - h) the Minimum Bid Increments for the Auction; and
 - i) the process for obtaining the Approval Order.
4. The SISP includes the engagement of Canaccord as Sales Advisor to the Companies. Canaccord was engaged as sales advisor to the Companies in the Pre-Filing Sales Process. As noted above, the Companies' views on the engagement of the Sales Advisor are outlined in the Churchill Affidavit. The Proposal Trustee is supportive of the engagement of the Sales Advisor and granting of the corresponding Sales Advisor Charge, as it believes the continuity resulting from Canaccord's continued role as Sales Advisor will assist in maximizing value for the Companies' stakeholders. Additionally, the continued engagement of the Sales Advisor will assist the Companies in meeting the timeframes in the SISP as the Sales Advisor has familiarity with the Companies, interested parties and the marketing materials and data room are already substantially available. Furthermore, as discussed in the Churchill affidavit, a trailer fee clause related to the Pre-Filing Sales Process is included in the agreement between the Companies and Canaccord, which may have been payable upon a sale of the Companies in any event.
5. The chart below summarizes the relevant milestones for the proposed SISP. The Proposal Trustee is supportive of the proposed SISP, including the timelines proposed thereunder. While the Proposal Trustee recognizes that the timelines are abbreviated, given the fact that the Companies just recently conducted the Pre-Filing Sales Process with the assistance of Canaccord, and in light of the Companies ongoing liquidity constraints, the Proposal Trustee is supportive of the timelines in these particular circumstances.

Event	Date
Publication of Opportunity and SISP by the Proposal Trustee and the Companies	As soon as practical following the granting of the SISP Approval order
Proposal Trustee and Companies to Distribute Teaser to Potential Bidders	As soon as practical following the granting of the SISP Approval order
Proposal Trustee and Companies to prepare VDR for Potential Bidders	As soon as practical following the granting of the SISP Approval order
BID DEADLINE	31-Jan-24
Notification sent to Qualified Bidders if they submitted a Qualified Bid	3 Business Days Following the Bid Deadline
Approval Motion of Stalking Horse Term Sheet if no Superior Offers received	As soon as practical following the Bid Deadline
Invitation to Stalking Horse Bidder and Superior Bidders of Intention to Hold Auction (If Required)	As soon as practical following the Bid Deadline
Superior Bidders to Notify of Intention to Participate in Auction (If Required)	7-Feb-24
AUCTION (If Required)	9-Feb-24
Approval Motion of Successful Bid	As soon as practical following the Auction

6.1 Stalking Horse Term Sheet

1. The SISP includes a letter of intent submitted by JMAC (the “**Stalking Horse Term Sheet**”). Key details of the Stalking Horse Term Sheet are summarized as follows:
 - a) a total Purchase price of \$13,000,000 comprised of:
 - i. \$11,000,000 for AMI’s membership interest in AMIS LLC; and
 - ii. \$2,000,000 for all of the other assets of AMI.
 - b) the purchase price is to be paid as follows:
 - i. a non-cash credit bid that will be comprised of amounts owing under the JMAC Facility and the Interim Financing Facility; and
 - ii. the balance of the purchase price to be paid in cash on closing.

- c) an expense reimbursement fee of \$200,000, ranking in priority to all debts of AMI;
 - d) the marketing materials provided to potential purchasers with the SISP shall recognize and include the right of first refusal (“**ROFR**”) included in the AMIS LLC Operating Agreement; and
 - e) closing to occur as soon as reasonably possible after satisfaction of all the condition precedents specified in the Stalking Horse Term Sheet and in the definitive agreement.
2. The process for the selection of the Stalking Horse Term Sheet by the Companies is outlined in the Churchill Affidavit. The Proposal Trustee is supportive of the inclusion of the Stalking Horse Bidder in the SISP, taking into account the circumstances of the situation which include:
- a) The Companies conducted a Pre-Filing Sales Process that identified the parties that would be most interested in a transaction for the Companies. Following the Pre-Filing Sales Process, the Companies engaged with two of the interested parties to solicit stalking horse term sheets, ultimately resulting in the Stalking Horse Term Sheet;
 - b) the Companies faced a tight timeline to identify a stalking horse bidder and negotiate a term sheet due to the current liquidity issues; and
 - c) the Stalking Horse Term Sheet includes purchase price terms that provide a favourable purchase price floor in the event no other Superior Offers are received pursuant to the SISP. The expense reimbursement fee included in the Stalking Horse Term Sheet is reasonable in the circumstance and 1.5% of the total consideration to be paid. This is within customary ranges for expense reimbursements of 1.5% to 5% of the total consideration paid in insolvency proceedings.

7.0 Court Ordered Charges

7.1 Administration Charge

1. The Companies are seeking an Administration Charge in an amount not to exceed \$350,000 to secure the professional fees and disbursements of the Proposal Trustee, the Proposal Trustee's legal counsel and the Applicant's legal counsel, whether incurred before or after the Filing Date, in priority to all other charges and encumbrances in respect of the fees and disbursements of the Proposal Trustee, its counsel, and the Companies' counsel. An Administration Charge is a standard feature of restructuring proceedings and the quantum requested is appropriate, in the Proposal Trustee's view, given its previous history and experience with restructurings of similar size and complexity.
2. The Proposal Trustee understands that the Interim Lender is supportive of the Administration Charge. All other registered secured creditors, as well as the Canada Revenue Agency, will be given notice of the application for this charge and those mentioned below.
3. The Proposal Trustee supports the request for the Administration Charge, pursuant to section 64.2(1) of the BIA, on the basis that it provides payment certainty for the professionals involved and allows them to effectively participate in the proceedings.

7.2 Interim Lender Charge

1. Prior to and after the Filing Date, the Proposal Trustee worked with the Companies to develop the Cash Flow Statement to determine the financing needs of the Companies during the Proceedings. As set out in the Applicants' Cash Flow Statement, the Applicants require interim financing in order to fund their operations and pursue restructuring efforts, including payment of an imminent cash call in AMI Silica LLC.
2. The Companies have agreed to terms outlined in the Terms and Conditions for Debtor-in-Possession Financing provided by JMAC as Interim Lender.

3. The key terms of the Interim Financing Term Sheet¹, if approved, are as follows:
 - a) **Principal:** \$2,850,000;
 - b) **Interest:** the Companies will pay interest at 18% per annum payable in cash monthly in arrears on the last day of each calendar month;
 - c) **Term:** the earlier of: (i) three months following the Closing Date; or (ii) following the occurrence of an Event of Default in respect of which the DIP Lender has elected in its sole discretion to accelerate all amounts owing and demand repayment;
 - d) **Security:** a) entitled to a super-priority charge under the BIA subordinate only to the Administration Charge; b) secured by a security interest in and lien on all of the present and after-acquired personal property and real property, tangible or intangible, of the Borrower, including, without limitation, all accounts receivable, inventory, plant and equipment, intellectual property, real estate, leasehold interests, avoidance actions, and all of the shares of each subsidiary of the Borrower; and
 - e) **Conditions:** Conditions Precedent for advances pursuant the Interim Financing Term Sheet include Court approval of the Interim Financing Term Sheet and the Interim Lenders Charge and a cash flow and operations budget to the satisfaction of the Interim Lender. Additional customary conditions precedent are also included.
4. The Interim Financing Term Sheet also contains certain affirmative covenants, negative covenants, and events of default and conditions that, in the Proposal Trustee's view, are reasonable and customary for this type of financing.
5. The Proposal Trustee recommends that the Court approve the Interim Financing Term Sheet and the Interim Lenders Charge. In arriving at this recommendation, the Proposal Trustee considered the factors enumerated in section 50.6(5) of the BIA, including:
 - a) the facts and circumstances of the Companies;

¹ All capitalized terms not defined herein have the meanings ascribed to them in the Interim Financing Term Sheet.

- b) the financial terms of the Interim Financing Term Sheet, including the fee and interest rate to be charged, relative to comparable facilities in similar restructuring proceedings;
- c) the stability and flexibility the Interim Financing Facility will provide to the Companies to ensure there is sufficient liquidity to facilitate the Proceedings and preserve the Companies' equity interest in its key asset, AMI Silica LLC; and,
- d) the interests of the Companies' stakeholders. In particular, the Proposal Trustee is of the view that no creditor will be materially prejudiced as a result of the Interim Lenders' Charge.

7.3 Sales Advisor Charge

1. The agreement between the Companies and Canaccord is attached as a confidential exhibit to the Churchill Affidavit. Pursuant to this agreement, the Companies have agreed to grant a charge over their Property to secure the payment of fees and expenses payable to the Sales Advisor to a maximum amount of \$450,000. The Proposal Trustee views this as reasonable in the circumstances in order to facilitate the continued engagement of Canaccord.

7.4 D&O Charge

1. Pursuant to section 64.1 of the BIA, the Companies are seeking Court approval of the indemnification of the Directors and Officers of the Companies and the creation of the D&O Charge, secured as against the assets of the Companies, to the maximum amount of \$60,000. The D&O Charge is intended to protect such individuals from all post-filing obligations and liabilities that they may incur as directors and officers of the Companies.
2. The Companies do have an insurance policy in place to provide protection to directors and officers; however, the Companies have advised the Proposal Trustee that certain exclusions and limitations apply. The D&O Charge would apply only to the extent the existing insurance policies do not provide sufficient coverage.
3. The Proposal Trustee is supportive of the D&O Charge and views it as reasonable in the circumstances to support the continued involvement of the officers and directors of the Companies who will play an important role in the restructuring of the Companies.

7.5 KERP Charge

1. The Companies have developed the KERP in order to retain key employees over the Proceedings to assist in the implementation of a successful transaction. A copy of the KERP is attached as a confidential exhibit to the Churchill Affidavit. A summary of the key terms of the KERP is as follows:
 - a) the KERP participants include 6 eligible employees of the Companies;
 - b) Trigger Events are defined in the KERP that would allow employees to be paid to a maximum of \$64,080 upon the first trigger event (the “**First Trigger Event**”) and \$192,240 on the second trigger event (the “**Second Trigger Event**”). The maximum amount payable under the KERP is \$260,000; and
 - c) the First Trigger Event is Court approval of the Sales Process Order and the Second Trigger Event includes successfully closing a transaction for all or substantially all of, its business or Property, amongst other triggering events; and
 - d) the KERP is subject to the approval of the Court.
2. The Proposal Trustee has reviewed the KERP and views the amounts payable reasonable in the circumstances and in accordance with amounts typically paid with respect to a KERP in insolvency proceedings. Additionally, as noted in the Interim Financing Term Sheet, JMAC has reviewed the quantum of the KERP Charge and has approved it in advance.

7.6 Priority of Charges

1. The Companies propose that the charges have the following priority (with maximum amounts in brackets):
 - a) first, the Administration Charge (\$350,000);
 - b) second, the Interim Lenders Charge (\$2,850,000);
 - c) third, the Sales Advisor’s Charge (\$450,000);
 - d) fourth D&O Charge (\$60,000); and
 - e) fifth, the KERP Charge (\$260,000).

2. The Proposal Trustee is of the view that the priority of the above charges is appropriate and in the interest of facilitating these proceedings.

8.0 Companies' Request for an Extension

1. The Companies are seeking an extension of the time required to file a proposal from December 13, 2023 to January 26, 2024. The Proposal Trustee supports the extension request for the following reasons:
 - a) the Companies are acting in good faith and with due diligence;
 - b) the extension will provide additional time to administer the SISP which will be for the benefit of the Companies' stakeholders and allow the Companies to make a viable proposal to its creditors;
 - c) the extension should not adversely affect or prejudice any group of creditors as the Companies are projected to have funding to pay post-filing services and suppliers in the amounts contemplated by the Cash Flow Forecast; and
 - d) it will provide the Companies the additional time they require to further advance their restructuring, which is in the interest of all stakeholders.

9.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court grant the relief sought by the Companies.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
in its capacity as trustee in the proposal of
Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd., AMI Aggregates Inc.,
AMI RockChain Inc., AMI Silica Inc., TerraShift Engineering Ltd.,
and not in its personal capacity**

Appendix “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009389
Estate No. 25-3009389

In the Matter of the Notice of Intention to make a proposal of:

2132561 Alberta Ltd.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:41

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009398
Estate No. 25-3009398

In the Matter of the Notice of Intention to make a proposal of:

2140534 Alberta Ltd.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:42

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009386
Estate No. 25-3009386

In the Matter of the Notice of Intention to make a proposal of:

AMI Aggregates Inc.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:40

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009385
Estate No. 25-3009385

In the Matter of the Notice of Intention to make a proposal of:

AMI RockChain Inc.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:39

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009384
Estate No. 25-3009384

In the Matter of the Notice of Intention to make a proposal of:

AMI Silica Inc.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:37

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009380
Estate No. 25-3009380

In the Matter of the Notice of Intention to make a proposal of:

Athabasca Minerals Inc.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:28

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009379
Estate No. 25-3009379

In the Matter of the Notice of Intention to make a proposal of:

TerraShift Engineering Ltd.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:30

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

Appendix “B”

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,
 AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.
 Cash Flow Forecast
 November 13, 2023 to February 11, 2024

For the week ending, In CAD	Notes	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	
		19-Nov-23	26-Nov-23	3-Dec-23	10-Dec-23	17-Dec-23	24-Dec-23	31-Dec-23	7-Jan-24	14-Jan-24	21-Jan-24	28-Jan-24	4-Feb-24	11-Feb-24	
Opening cash balance	1	1,280,826	1,256,423	1,166,749	986,762	937,529	930,135	830,035	1,485,433	1,380,333	1,312,939	1,311,439	1,213,339	767,952	1,280,826
Cash Receipts															
Cash Collections	2	8,921	4,286	-	4,267	-	-	901,059	14,000	-	-	-	4,460	-	936,993
		8,921	4,286	-	4,267	-	-	901,059	14,000	-	-	-	4,460	-	936,993
Cash Disbursements															
Operating Expenses															
Wages, salaries, and benefits	3	32,562	65,000	4,100	53,500	-	57,600	-	4,100	60,000	-	65,000	4,100	60,000	405,962
Utilities	4	55	1,100	-	-	200	1,500	-	-	200	1,500	-	-	200	4,755
Other operating expenses	5	707	11,000	35,887	-	7,194	40,000	45,987	-	7,194	-	12,100	35,887	20,694	216,650
Rent	6	-	14,860	-	-	-	-	14,860	-	-	-	-	14,860	-	44,580
		33,324	91,960	39,987	53,500	7,394	99,100	60,847	4,100	67,394	1,500	77,100	54,847	80,894	671,947
Other Disbursements															
AMI Silica LLC - funding	2	-	-	1,400,000	-	1,400,000	-	-	-	-	-	-	-	-	2,800,000
Total other disbursements	7	-	2,000	-	-	-	1,000	174,814	-	-	-	1,000	315,000	-	493,814
Anticipated capital expenditures	8	-	-	20,000	-	-	-	10,000	-	-	-	20,000	-	2,500	52,500
		-	2,000	1,420,000	-	1,400,000	1,000	184,814	-	-	-	21,000	315,000	2,500	3,346,314
Debt Repayment															
Interest & principal		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements		33,324	93,960	1,459,987	53,500	1,407,394	100,100	245,661	4,100	67,394	1,500	98,100	369,847	83,394	4,018,261
Professional Costs	9														
Company counsel legal fees		-	-	50,000	-	-	-	50,000	-	-	-	-	35,000	-	135,000
Trustee fees		-	-	50,000	-	-	-	50,000	-	-	-	-	35,000	-	135,000
Trustee's counsel fees		-	-	20,000	-	-	-	15,000	-	-	-	-	10,000	-	45,000
Total Professional Costs		-	-	120,000	-	-	-	-	115,000	-	-	-	80,000	-	315,000
Net cash flow		(24,403)	(89,674)	(1,579,987)	(49,233)	(1,407,394)	(100,100)	655,398	(105,100)	(67,394)	(1,500)	(98,100)	(445,387)	(83,394)	(3,396,268)
Interim financing															
Interim financing advances / (repayments)	10	-	-	1,400,000	-	1,400,000	-	-	-	-	-	-	-	-	2,800,000
Closing cash balance		1,256,423	1,166,749	986,762	937,529	930,135	830,035	1,485,433	1,380,333	1,312,939	1,311,439	1,213,339	767,952	684,558	684,558

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 will be seeking a consolidation order at the the first extension application. 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 22nd day of November 2023.

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,
 AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.

Per:



Dana Archibald
 Chief Executive 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
November 13, 2023 to February 11, 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. The following entities do not have bank accounts: AMI Aggregates Inc., 2132561 Alberta Ltd. and 2140534 Alberta Ltd.

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. There are some small AR balances in RockChain and TerraShift with no further revenue from these entities. A significant amount of this balance relates to the repayment of cash collateral provided for letters of credit for sold aggregate leases. AMI Silicia LLC is currently experiencing a working capital shortfall that will be funded by its two equity holders. The advances to AMI Silicia LLC represents AMI's 50% share.

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. Salary expense increase in January 2024 is due to restart of CPP/EI. There are payments to the sole Director for the payroll for November 30, 2023.

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, 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 outstanding royalty payments, to the extent payable, related to aggregate dispositions that will result in release of cash deposits related to letters of credit. Additional amounts relate to D&O run-off insurance.

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.

Note 10

AMI is currently in discussions with JMAC Energy Services to provide interim financing. It is anticipated that interim financing of about \$2.8 million will be required over the forecast period to be used to fund a working capital cash call from AMI Silicia LLC. It is the Companies expectation that a court ordered interim financing charge will be sought at the first extension application.

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of 2132561 Alberta Ltd. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending February 11, 2024.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 10.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by the Company on November 13, 2023, using a set of hypothetical and probable assumptions set out in Notes 1 to 10. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 22nd day of November, 2023.



Per: Dana Archibald
President

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of 2140534 Alberta Ltd. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending February 11, 2024.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 10.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by the Company on November 13, 2023, using a set of hypothetical and probable assumptions set out in Notes 1 to 10. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 22nd day of November, 2023.



Per: Dana Archibald
President

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of AMI Aggregates Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending February 11, 2024.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 10.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by the Company on November 13, 2023, using a set of hypothetical and probable assumptions set out in Notes 1 to 10. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 22nd day of November, 2023.



Per: Dana Archibald
President

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA)**

The management of Athabasca Minerals Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending February 11, 2024.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 10.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by the Company on November 13, 2023, using a set of hypothetical and probable assumptions set out in Notes 1 to 10. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 22nd day of November, 2023.



Per: Dana Archibald
Chief Executive Officer

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of AMI RockChain Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending February 11, 2024.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 10.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by the Company on November 13, 2023, using a set of hypothetical and probable assumptions set out in Notes 1 to 10. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 22nd day of November, 2023.



Per: Dana Archibald
Director

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of AMI Silica Inc. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending February 11, 2024.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 10.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by the Company on November 13, 2023, using a set of hypothetical and probable assumptions set out in Notes 1 to 10. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 22nd day of November, 2023.



Per: Dana Archibald
President

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA)**

The management of TerraShift Engineering Ltd. (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending February 11, 2024.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 10.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by the Company on November 13, 2023, using a set of hypothetical and probable assumptions set out in Notes 1 to 10. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 22nd day of November, 2023.



Per: Dana Archibald
President

Appendix “C”

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009389
Estate No. 25-3009389

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
2132561 Alberta Ltd.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of 2132561 Alberta Ltd., as of the 22nd day of November 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009389
Estate No. 25-3009389

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
2132561 Alberta Ltd.
of the City of Calgary, in the Province of Alberta

Purpose:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009398
Estate No. 25-3009398

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
2140534 Alberta Ltd.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of 2140534 Alberta Ltd., as of the 22nd day of November 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
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Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009398
Estate No. 25-3009398

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
2140534 Alberta Ltd.
of the City of Calgary, in the Province of Alberta

Purpose:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009386
Estate No. 25-3009386

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
AMI Aggregates Inc.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of AMI Aggregates Inc., as of the 22nd day of November 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009386
Estate No. 25-3009386

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
AMI Aggregates Inc.
of the City of Calgary, in the Province of Alberta

Purpose:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009380
Estate No. 25-3009380

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Athabasca Minerals Inc.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of Athabasca Minerals Inc., as of the 22nd day of November 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
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District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009380
Estate No. 25-3009380

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Athabasca Minerals Inc.
of the City of Calgary, in the Province of Alberta

Purpose:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
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District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009385
Estate No. 25-3009385

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
AMI RockChain Inc.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of AMI RockChain Inc., as of the 22nd day of November 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

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(c) the projection does not reflect the probable and hypothetical assumptions.

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The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
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District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009385
Estate No. 25-3009385

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
AMI RockChain Inc.
of the City of Calgary, in the Province of Alberta

Purpose:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
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District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009384
Estate No. 25-3009384

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
AMI Silica Inc.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of AMI Silica Inc., as of the 22nd day of November 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

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(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee

1165, 324-8th Avenue S.W.

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Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009384
Estate No. 25-3009384

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
AMI Silica Inc.
of the City of Calgary, in the Province of Alberta

Purpose:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009379
Estate No. 25-3009379

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
TerraShift Engineering Ltd.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of TerraShift Engineering Ltd., as of the 22nd day of November 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

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- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
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District of: Alberta
Division No. 02 - Calgary
Court No. 25-3009379
Estate No. 25-3009379

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
TerraShift Engineering Ltd.
of the City of Calgary, in the Province of Alberta

Purpose:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending February 11, 2024p

Dated at the City of Calgary in the Province of Alberta, this 22nd day of November 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
Phone: (416) 932-6262 Fax: (416) 932-6266

Appendix “D”

Post-Filing Reporting Period Cash Flow Comparison
November 13, 2023 to November 26, 2023

Post Filing Reporting Period In CAD	Actual	Cash Flow Statement	Favourable / (Unfavourable) Variance
Opening Cash	\$ 1,280,826	\$ 1,280,826	\$ -
Receipts			
Collection of Outstanding Receivables	13,207	13,207	-
Total Receipts	13,207	13,207	-
Operating Disbursements			
Wages, Salaries, and Benefits	32,562	97,562	65,000
Utilities	843	1,155	312
Other Operating Expenses	1,564	11,707	10,143
Rent	-	14,860	14,860
Total Operating Disbursements	34,969	125,284	90,315
Net Cashflow From Operations	(21,762)	(112,077)	90,315
Non-Operating Disbursements			
AMI Silica LLC - Funding	-	-	-
Other Disbursements	767	2,000	1,233
Anticipated Capital Expenditure	-	-	-
Legal Counsel Fees	-	-	-
Trustee Fees	-	-	-
Trustee's Legal Counsel Fees	-	-	-
Total Non-Operating Disbursements	767	2,000	1,233
Total Disbursements	35,736	127,284	91,548
Net Cash Flow	(22,529)	(114,077)	90,315
Interim Financing			
Interim Financing Advances	-	-	-
Ending Cash Balance	\$ 1,258,297	\$ 1,166,749	\$ 91,548

Appendix “E”

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,
 AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.
 Cash Flow Forecast
 December 04, 2023 to March 03, 2024

For the week ending, in CAD	Notes	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Week 1 10-Dec-23	Week 2 17-Dec-23	Week 3 24-Dec-23	Week 4 31-Dec-23	Week 5 7-Jan-24	Week 6 14-Jan-24	Week 7 21-Jan-24	Week 8 28-Jan-24	Week 9 4-Feb-24	Week 10 11-Feb-24	Week 11 18-Feb-24	Week 12 25-Feb-24	Week 13 3-Mar-24	
Opening cash balance	1	1,175,887	1,026,387	929,693	851,613	712,466	526,533	389,333	1,062,284	1,072,284	985,897	1,007,478	522,484	522,484	1,175,887
Cash Receipts															
Cash Collections	2	-	-	-	-	2,167	100,000	676,645	40,000	44,460	46,581	14,000	-	4,460	928,313
Cash Disbursements															
Operating Expenses															
Wages, salaries, and benefits	3	-	57,800	64,080	57,800	4,100	70,000	-	-	70,000	-	65,000	-	262,240	651,020
Utilities	4	-	200	-	1,500	-	200	-	-	-	-	1,800	-	-	3,700
Other operating expenses	5	29,500	18,694	14,000	29,987	-	50,000	3,694	10,000	45,987	25,000	33,694	-	48,987	309,543
Rent	6	-	-	-	14,860	-	-	-	-	14,860	-	-	-	14,860	44,580
Other Disbursements		29,500	76,694	78,080	104,147	4,100	120,200	3,694	10,000	130,847	25,000	100,494	-	326,087	1,008,843
AMI Silicia LLC - funding	2	-	1,770,000	-	1,080,000	-	-	-	-	-	-	-	-	-	-
Total other disbursements	7	-	-	-	-	184,000	2,000	-	-	-	-	316,000	-	-	2,850,000
Anticipated capital expenditures	8	-	20,000	-	10,000	-	-	-	20,000	-	-	2,500	-	-	52,500
Debt Repayment															
Interest & principal		-	1,790,000	-	1,090,000	184,000	2,000	-	20,000	-	-	318,500	-	-	3,404,500
Total disbursements		29,500	1,866,694	78,080	1,194,147	188,100	122,200	3,694	30,000	130,847	25,000	418,994	-	326,087	4,413,343
Professional Costs	9														
Company counsel legal fees		50,000	-	-	-	-	50,000	-	-	-	-	35,000	-	-	135,000
Trustee fees		50,000	-	-	-	-	50,000	-	-	-	-	35,000	-	-	135,000
Trustee's counsel fees		20,000	-	-	-	-	15,000	-	-	-	-	10,000	-	-	45,000
Total Professional Costs		120,000	-	-	-	-	115,000	-	-	-	-	80,000	-	-	315,000
Net cash flow		(149,500)	(1,866,694)	(78,080)	(1,194,147)	(185,933)	(137,200)	672,951	10,000	(86,387)	21,581	(484,994)	-	(321,627)	(3,800,030)
Interim financing															
Interim financing advances / (repayments)	10	-	1,770,000	-	1,055,000	-	-	-	-	-	-	-	-	-	2,825,000
Closing cash (operating line) balance		1,026,387	929,693	851,613	712,466	526,533	389,333	1,062,284	1,072,284	985,897	1,007,478	522,484	522,484	200,857	200,857

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 will be seeking a consolidation order at the the first extension application. 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 6th day of December 2023.

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
December 04, 2023 to March 03, 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.,

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. There are some small AR balances in RockChain and TerraShift with no further revenue from these entities. A significant amount of this balance relates to the repayment of cash collateral provided for letters of credit for sold aggregate leases. AMI Silicia LLC is currently experiencing a working capital shortfall that will be funded by its two equity holders. The advances to AMI Silicia LLC represents AMI's 50% share.

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. Salary expense increase in January 2024 is due to restart of CPP/EI. KERP payments are in accordance with the KERP agreement and are paid on the week ended December 24th and March 3, 2024. There are payments to the sole Director for the payroll for January 15, 2024.

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 outstanding royalty payments, to the extent payable, related to aggregate dispositions that will result in release of cash deposits related to letters of credit. Additional amounts relate to D&O run-off insurance.

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.

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. The Companies will be seeking an interim financing charge at the first extension application.

FORM 30

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta
Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., and
TerraShift Engineering Ltd.
of the City of Calgary, in the Province of Alberta

The companies of Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., and TerraShift Engineering Ltd. have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 7th day of December 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending March 3, 2024.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 7th day of December 2023.

Athabasca Minerals
Inc., 2132561 Alberta
Ltd., 2140534
Alberta Ltd., AMI
Aggregates Inc., AMI
RockChain Inc., AMI
Silicia Inc., and
TerraShift
Engineering Ltd.
Debtor



Name and title of signing officer

DAVID CHURCHILL, CFO

Name and title of signing officer

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta
Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., and
TerraShift Engineering Ltd.
of the City of Calgary, in the Province of Alberta

Purpose:

a signed pdf copy of a weekly cash flow statement for the period ending March 3, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending March 3, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending March 3, 2024

Dated at the City of Calgary in the Province of Alberta, this 7th day of December 2023.

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd., AMI Aggregates Inc., AMI
RockChain Inc., AMI Silicia Inc., and TerraShift Engineering Ltd.

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534
Alberta Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI
Silicia Inc., and TerraShift Engineering Ltd.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., and TerraShift Engineering Ltd., as of the 7th day of December, 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending March 3, 2024, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 7th day of December 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Andrew Basi - Licensed Insolvency Trustee

1165, 324-8th Avenue S.W.

Calgary AB T2P 2Z2

Phone: (416) 932-6262 Fax: (416) 932-6266

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of
Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534
Alberta Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI
Silicia Inc., and TerraShift Engineering Ltd.
of the City of Calgary, in the Province of Alberta

Purpose:

a signed pdf copy of a weekly cash flow statement for the period ending March 3, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending March 3, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending March 3, 2024

Dated at the City of Calgary in the Province of Alberta, this 7th day of December 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:

Andrew Basi - Licensed Insolvency Trustee
1165, 324-8th Avenue S.W.
Calgary AB T2P 2Z2
Phone: (416) 932-6262 Fax: (416) 932-6266