



COM April 19, 2024



COURT FILE NUMBER           **25-3009380**

COURT                               **COURT OF KING’S BENCH OF ALBERTA**

JUDICIAL CENTRE               **CALGARY**

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                       **FOURTH REPORT OF THE PROPOSAL TRUSTEE  
APRIL 15, 2024**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT                       **PROPOSAL TRUSTEE  
KSV Restructuring Inc.  
324-8<sup>th</sup> Avenue SW, Suite 1165  
Calgary, AB  
T2P 2Z2**

Attention:           Andrew Basi  
Telephone:          (587) 287-2670  
Facsimile:          (416) 932-6266  
Email:               [abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com)

**PROPOSAL TRUSTEE’S COUNSEL**  
Bennett Jones LLP  
4500, 855 2<sup>nd</sup> Ave SW  
Calgary, AB  
T2P 4K7

Attention:           Michael Selnes  
Telephone:          (403) 298-3311  
Facsimile:          (403) 265-7219  
E-Mail:              [selnesm@bennettjones.com](mailto:selnesm@bennettjones.com)

<b>Contents</b>	<b>Page</b>
1.0 Introduction .....	1
2.0 JMAC Settlement Agreement .....	4
3.0 The Backup Bid .....	7
4.0 Priority Payments .....	11
5.0 Activities of the Companies and Proposal Trustee.....	12
6.0 Cash Flow Statement .....	14
7.0 Companies' Request for an Extension.....	17
8.0 Conclusion and Recommendation .....	18

<b>Appendix</b>	<b>Tab</b>
Third Stay Extension and Litigation Schedule Order dated March 8, 2024 .....	A
Comparison of the Fifth Cash Flow Statement to Actual .....	B
Sixth Cash Flow Statement for the period April 1, 2024 and ending May 19, 2024 with the Companies' and the Proposal Trustee's Report on the Fourth Cash Flow Statement Dated April 8, 2024 .....	C

## 1.0 Introduction

1. This fourth report (the “**Fourth Report**”) is filed by KSV Restructuring Inc. (“**KSV**”), in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) in connection with seven (7) 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**”) (the “**Proposal Proceedings**”).
2. The Proposal Trustee has filed three previous reports and one supplemental report in conjunction with the various relief requested by the Companies as outlined in the Proposal Trustee’s previous reports.
3. The Companies filed an application on February 26, 2024 that was scheduled to be heard on March 8, 2024 that sought an order that, among other things, approved the Transaction with Badger Mining Corporation (“**Badger**”) and granted the Transaction Approval and Reverse Vesting Order. On March 4, 2024, JMAC filed an application for, amongst other things, setting aside or alternatively staying the Transaction and providing relief with respect to the applicability of the JMAC ROFR.
4. Prior to the March 8, 2024 Court application, the Companies, JMAC and Badger agreed upon the matters to be heard at this application and agreed upon a litigation schedule in an attempt to address the dispute between the parties. On March 8, 2024, the parties appeared before Justice J.S. Little of the Court of King’s Bench of Alberta (the “**Court**”) who heard submissions from interested parties and pronounced an order that, among other things, extended the period in which the Companies could make a proposal to their creditors and further extended the stay of proceedings up to and including April 22, 2024 and approved the Litigation Schedule as it relates to the JMAC ROFR dispute (the “**Third Stay Extension and Litigation Schedule Order**”).

A copy of the Third Stay Extension and Litigation Schedule Order is attached hereto as **Appendix “A”**.

## 1.1 Purpose of this Fourth Report

1. The purpose of this Fourth Report is to provide this Court with further information related to the relief sought by the Companies on their application filed on April 9, 2024 and scheduled to be heard on April 19, 2024. Information with respect to the Transaction and the Transaction Approval and Reverse Vesting Order, approval of which was sought in the Companies' application filed on February 26, 2024, is contained in the Third Report and is not repeated in this report. This Fourth Report specifically provides information regarding:
  - a) the Proposal Trustee's activities since the Third Report;
  - b) the Companies' activities since the Third Report;
  - c) the Proposal Trustee's comments on the Companies' actual performance to date versus the Companies' Fifth Cash Flow Statement for the period March 4, 2024 to April 7, 2024 filed in the Proposal Proceedings pursuant to section 50.4(2)(a) of the BIA;
  - d) the Proposal Trustee's comments and report on the Companies' amended and extended cash flow statement for the period April 1, 2024 to May 19, 2024 (the "**Sixth Cash Flow Statement**");
  - e) the Companies' application for an order that, amongst other things:
    - i. approves the settlement agreement between the Companies and JMAC dated March 28, 2024 (the "**Settlement Agreement**"), and authorizes the Companies to complete all necessary steps under the Settlement Agreement, including payment of the Settlement Amount (as defined herein) to JMAC (the "**Settlement Approval Order**");
    - ii. approves as the Backup Bid:
      - a. a transaction for the sale of all of the shares of AMI to JMAC Resources Ltd. ("**JMAC Resources**" and the "**JMAC Share Transaction**") pursuant to the Subscription Agreement between the Companies and JMAC Resources dated March 28, 2024 (the "**JMAC Subscription Agreement**");

- b. a transaction for the sale of the Membership Units held by AMI in AMIS LLC (the “**AMIS Unit Sale**”) pursuant to the Membership Interest Purchase Agreement between AMI and JMAC dated March 28, 2024 (the “**Purchase Agreement**”, and with the JMAC Share Transaction, the “**JMAC Backup Bid**”); and
- c. grants the proposed reverse vesting order in respect of the JMAC Share Transaction (the “**JMAC Transaction Approval and Reverse Vesting Order**”), including the sale approval and vesting in respect of the AMIS Unit Sale, which order shall not be relied upon unless the conditions to closing the JMAC Subscription Agreement are satisfied, which include the Badger Transaction not closing by April 30, 2024;
- iii. authorizes the Proposal Trustee to make certain priority payments on behalf of the Companies from the proceeds of sale arising from the closing of either the Transaction or the JMAC Backup Bid, as the case may be;
- iv. extends the time by which the Companies may file a joint proposal to their creditors pursuant to the BIA, and the corresponding Stay Period up to and including May 13, 2024 (the “**Stay Extension**”);
- v. seals a copy of the Settlement Agreement which is attached and marked as Confidential Exhibit “1” to the Fifth Churchill Affidavit on the Court record; and
- vi. grants such further and other relief as the Companies may request and this Court may deem just.

## 1.2 Scope and Terms of Reference

1. In preparing this Fourth 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 Fourth 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 Sixth Cash Flow Statement as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Fourth 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 Sixth Cash Flow Statement will be achieved.
4. This Fourth Report should be read in conjunction with the materials filed by the Companies, including the Fifth Affidavit of John David Churchill, the Chief Financial Officer of the Companies sworn on April 8, 2024 (the "**Fifth Churchill Affidavit**") and John David Churchill's previously filed affidavits in these proceedings (collectively the "**Churchill Affidavits**"). Capitalized terms not defined in this Fourth Report have the meanings ascribed to them in the Churchill Affidavits or the documents attached as Exhibits in the Churchill Affidavits, as the case may be.

### **1.3 Currency**

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

### **1.4 Court Materials**

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

## **2.0 JMAC Settlement Agreement**

1. As discussed in the Proposal Trustee's prior reports, there has been an on-going dispute between the Companies and JMAC on the applicability of the JMAC ROFR with respect to the Transaction. To resolve and conclude the JMAC ROFR dispute, JMAC and the Companies have entered into the Settlement Agreement. A summary of the key terms of the Settlement Agreement are as follows:

- a) Following the close of either the Transaction or Backup-up Bid, the Companies will pay a monetary sum (the “**Settlement Amount**”) as full and final satisfaction of any claims arising in relation to the JMAC ROFR;
- b) The Settlement Amount shall be paid by the Companies to JMAC from the proceeds of sale arising from the closing of the Transaction or the Back-up Bid, which payment shall be expressly authorized by Court order to be made by the Companies in priority to the payment of any other creditor claims or equity distributions;
- c) In exchange for the Settlement Amount, JMAC shall:
  - i. support the Transaction approval application, including approval of this Settlement Agreement and the Back-up Bid;
  - ii. take no further steps with respect to the US Litigation and upon condition precedents being met, withdraw its motions in the US with respect to the US Litigation; and
  - iii. provide releases to the Companies, ResidualCo, and successors with respect to any claims the ROFR was triggered with respect to the Transaction;
- d) JMAC is required to honour its Backup Bid at the full value of \$29,100,000 and execute the definitive transaction documents. JMAC is required to deliver a deposit in the amount of \$2,900,000 to the Proposal Trustee representing 10% of the purchase price. This deposit has been received by the Proposal Trustee and is presently being held by the Proposal Trustee in a non-interest-bearing trust account;
- e) Provided the terms of the Settlement Agreement are met, a final release will be provided to the Companies, ResidualCo, and other listed parties;
- f) the only remaining outstanding condition precedent to the Settlement Agreement are:
  - i. the approval of the Court of this Settlement Agreement; and
  - ii. the approval of the Court of the Transaction and/or the JMAC Backup Bid;
- g) a confidentiality provision that requires the parties to not disclose the terms of the Settlement Agreement.

2. The Proposal Trustee is supportive of the Settlement Agreement for the following reasons:
- a) the litigation between the Companies and JMAC may have been lengthy and costly as a result of the cross-border aspects of the litigation. The outcome of the litigation was uncertain and there was no guarantee that Badger would complete the Transaction if there were further delays due to the ongoing litigation. The Settlement Agreement results in a quick resolution to the dispute and allows the Companies to take the required steps to conclude the Transaction or the JMAC Backup Bid as the case may be, without opposition from JMAC;
  - b) the Companies can move forward with the Transaction, which will result in significant benefit to the stakeholders of the Companies. The creditors are anticipated to be paid in full with the expectation that equity holders will receive a partial recovery on their equity claims;
  - c) it provides some certainty to employees that are being retained as a result of the Transaction or the JMAC Backup Bid;
  - d) the JMAC Backup Bid in the amount of \$29.1 million, including a 10% deposit is agreed to, in the event the Transaction is not completed and definitive transactions documents have been entered into;
  - e) the timing of the closing of the Transaction is within the NOIs maximum stay extension period pursuant to the BIA which is May 13<sup>th</sup>, 2024. The Settlement Agreement allows the Companies to close the Transaction or the Backup Bid within the NOI time allowed pursuant to the BIA, assuming the Court grants the extension requested by the Companies;
  - f) The Proposal Trustee's view is that sealing the Confidential Exhibit is appropriate as it is a term of the Settlement Agreement necessary to protect the commercially sensitive information between the parties and maintain confidentiality, as well as protects settlement privilege.



### 3.0 The Backup Bid<sup>1</sup>

1. The Backup Bid is comprised of two separate transactions:
  - a) The JMAC Subscription Agreement; and
  - b) AMIS Unit Sale.

#### **JMAC Subscription Agreement**

2. The JMAC Subscription Agreement is structured similar to the Badger Transaction structure and requires a reverse vesting order being granted by the Court. A copy of the JMAC Subscription Agreement is attached as Exhibit "A" to the Fifth Churchill Affidavit. A summary of key terms is as follows:
  - a) **Purchaser**: JMAC Resources Ltd. (the "**Purchaser**").
  - b) **Purchased Assets**: 1,000 Common Shares subscribed by the Purchaser in accordance with the JMAC Transaction Approval and Reverse Vesting Order and the Subscription Agreement (the "**Purchased Shares**").
  - c) **Purchase Price**: Aggregate consideration for the Purchased Shares which is the total of:
    - i. \$4,500,000; and
    - ii. any amounts payable pursuant to article 7.10 of the Subscription Agreement that are determined to be a Disclaimer Liability. An Escrow Amount of \$500,000, or such lesser amount as the Purchaser and the Proposal Trustee may agree, will be paid by the Purchaser to be held by the Proposal Trustee for payment of the Disclaimer Liability, if any.
  - d) **Deposit**: A deposit of \$2,900,000 was paid to and is presently held by the Proposal Trustee in accordance with all of the SISF requirements, article 2.4 of the Subscription Agreement and the Settlement Agreement.

---

<sup>1</sup> This section provides an overview of the Backup Bid. Interested parties are strongly encouraged to read the JMAC Subscription Agreement, the AMIS Unit Sale and the proposed Transaction Approval and Reverse Vesting Order. Capitalized terms in this section have the meanings provided to them in the JMAC Subscription Agreement, the AMIS Unit Sale and/or the Transaction Approval and Reverse Vesting Order.

- e) **Transferred Assets:** The Transferred Assets are those assets proposed to be transferred to ResidualCo through operation of the JMAC Transaction Approval and Reverse Vesting Order. A complete list of the Transferred Assets is included in schedule “B” of the JMAC Subscription Agreement and include the Aggregate Purchase Price, cash and bank balances, all accounts receivables, tax refunds, prepaid expenses, amounts paid as security or collateral, and any and all other assets or interests of the Companies other than the Retained Assets.
- f) **Transferred Liabilities:** The Transferred Liabilities are those liabilities proposed to be transferred to ResidualCo through operation of the JMAC Transaction Approval and Reverse Vesting Order. Schedule “B” of the JMAC Share Subscription Agreement lists the Transferred Liabilities, unless otherwise designated by the Purchaser as Retained Liabilities.
- g) **Excluded Contracts:** The Excluded Contracts are those contracts, leases or agreements to be disclaimed and/or otherwise terminated by a Company, or the Companies, as the case may be. These include any contract, agreement, lease, or commitment designated as an Excluded Contract by the Purchaser in writing. As at the date of this Fourth Report, no contract has been designated as an Excluded Contract.
- h) **Retained Assets:** The Retained Assets, being those assets proposed to be retained by the Purchaser, are listed in Schedule “B” of the JMAC Share Subscription Agreement.
- i) **Retained Liabilities:** Schedule “B” of the JMAC Share Subscription Agreement lists the Retained Liabilities, being those liabilities proposed to be retained by the Company, from and after the Closing Time.
- j) **Retained Contracts:** The Retained Contracts include those contracts to be retained by the Companies through operation of the Transaction Approval and Reverse Vesting Order and include all contracts of the Companies, unless otherwise agreed by the Companies and the Purchaser.
- k) **Representation and Warranties by the Companies:** Consistent with the standard terms of an insolvency transaction, the Companies are making limited representations and warranties, and the transaction is on an “as is, where is” basis.

- l) **Closing Date:** Will occur no later than 3 business days from the date on which all conditions set out in article 5 of the JMAC Subscription Agreement have been satisfied or waived by the parties.
  
- m) **Material Conditions:** The Subscription Agreement includes the following material conditions, amongst other conditions:
  - i. the JMAC Transaction Approval and Reverse Vesting Order shall have been granted and entered by the Court and shall not have been vacated, set aside, or stayed, and all conditions to the effectiveness of the Reverse Vesting Order shall have been satisfied or waived in accordance with the terms thereof;
  - ii. the Badger Transaction does not close as a result of the reasons set out in paragraph 5.1(c) of the JMAC Share Subscription Agreement;
  - iii. the closing of the AMI Silica LLC Transaction pursuant to the terms and conditions of the Membership Interest Purchase Agreement;
  - iv. ResidualCo has been incorporated; and
  - v. There shall not have been any Material Adverse Effect during the Interim Period. Material Adverse Effect is defined in the JMAC Share Subscription Agreement and is limited to events or circumstances that result in losses of greater than \$10 million. In determining whether there has been a Material Adverse Effect, the Proposal Trustee shall have the final and binding decision between the Companies and the Purchaser in respect of whether a Material Adverse Effect has occurred.

### **AMIS Unit Sale**

- 3. A copy of the AMIS Unit Sale is attached as Exhibit “B” to the Fifth Churchill Affidavit. A summary of certain key terms of the AMIS Unit Sale is as follows:
  - a) **Purchaser-** JMAC Energy Services LLC (the “**Purchaser**”);
  - b) **Purchased Asset:** The Companies’ 50% voting membership interest in AMI Silica LLC.

- c) **Purchase Price:** \$24,600,000 to be paid by the Purchaser by a combination of a set-off from the Purchase Price of any other amounts owed by the Vendor to the Purchaser including amounts owed pursuant to the Settlement Agreement and the remaining outstanding amount to be paid by cash.
- d) **Closing Date:** No later than 3 business days from the date on which all conditions set out in Article 5 of the Subscription Agreement have been satisfied or waived, or such other date as may be agreed upon by the Vendor and JMAC.
- e) **Representation and Warranties by the Companies:** Consistent with the standard terms of an insolvency transaction, the Companies are making limited representations and warranties, and the transaction is on an “as is, where is” basis.
- f) **Material Conditions:** The AMIS Unit Sale includes the following material conditions, amongst other conditions:
  - i. The Closing of the Transactions will have occurred pursuant to the terms and conditions set forth in the JMAC Subscription Agreement; and
  - ii. The Reverse Vesting Order being obtained.

#### **The Necessity of the RVO Structure**

- 4. In its Third Report, the Proposal Trustee previously reported on its views and recommendations with respect to an RVO structure with respect to the proposed Transaction with Badger. The Proposal Trustee continues to support the use of an RVO structure with respect to the JMAC Backup Bid, as:
  - a) Both transactions presently before the Court contemplate the use of an RVO structure, presumably in order to preserve the various Land Agreements, Mineral Claims, Licenses and Permits required to operate the Companies’ Business;
  - b) Utilizing an RVO structure will also preserve certain corporate attributes, including tax loss pools;

- c) Notwithstanding the fact that JMAC may now support a formal proposal to creditors, there is no longer sufficient time to approve a creditor proposal in the within Proposal Proceedings as the Outside Date on the Badger Transaction is April 30, 2024 and the Outside Date for the JMAC Backup Bid is May 3, 2024.
- d) Utilizing the RVO structure with either the Badger Transaction or the JMAC Backup Bid provides a better economic result than any other alternative currently available to the Companies;
- e) The Proposal Trustee remains of the view that no stakeholder is worse off under an RVO structure, given that in these circumstances creditors are expected to be repaid in full and shareholders are expected to receive a distribution with respect to their equity claims. As at the date of this Fourth Report, no stakeholder has expressed concerns to the Proposal Trustee regarding the use of an RVO structure.

## 4.0 Priority Payments

1. The Companies are seeking authorization for the Proposal Trustee to make certain priority payments upon closing of either the Transaction or the Backup Bid. These are summarized below in priority sequence:
  - a) **Settlement Amount** – amounts to be paid to JMAC in accordance with the Settlement Agreement and the Settlement Approval Order;
  - b) **The Administration Charge** – the outstanding reasonable fees and disbursements of the Proposal Trustee, the Proposal Trustee’s Counsel and the Companies’ counsel, incurred at their standard rates and charges, which priority payment shall collectively not exceed \$350,000, being the quantum of the approved Administration Charge;
  - c) **Interim Financing Charge** –
    - i. If the Companies close the Badger Transaction, it is contemplated that Badger would credit bid the obligations owed to it by the Companies under the Interim Financing Facility as part of its purchase price. As such, the Companies seek a form of RVO respecting the Transaction with Badger that contemplates a credit bid, and subsequent release and discharge of the Interim Lender’s Charge;

- ii. If the Companies close the JMAC Backup Bid, they are seeking approval to pay Badger as Interim Lender all outstanding indebtedness, interest, fees, liabilities and obligations owed by the Companies to Badger pursuant to the Interim Financing Agreement between the Companies and Badger dated March 4, 2024 (“**Replacement Interim Financing Agreement**”), which priority payment shall not exceed \$5,300,000. The total anticipated priority payment to the Interim Lender is \$3,685,000, inclusive of accrued interest.
  - d) **Sales Advisor Charge** – The outstanding obligations owing by the Companies to the Sales Advisor not to exceed \$450,000 being the quantum of the Sales Advisor Charge; and
  - e) **KERP Charge** – The outstanding obligations owing by the Companies in accordance with terms set forth in the Companies’ key employee retention plan, which priority payment shall not exceed \$260,000.
2. The Proposal Trustee is supportive of the payment of the above Priority Payments. The Proposal Trustee is advised that there have been no claims with respect to the directors and is supportive of the release of the Director’s Charge.

## **5.0 Activities of the Companies and Proposal Trustee**

### **5.1 Activities of the Proposal Trustee**

1. Since its Third Report, the Proposal Trustee has performed the following key activities:
- a) attending on-going meetings with the Companies’ management to discuss the Proposal Proceedings and the monitoring of operations and cash flows;
  - b) assisting the Companies with their communications to both internal and external stakeholders;
  - c) preparing bi-weekly reporting packages in consultation with the Companies’ management, pursuant to the terms of the Replacement Interim Financing Agreement between the Companies and Badger;
  - d) continuing to review and evaluate the state of the Companies’ business and financial affairs in accordance with section 50.4(7)(b)(ii) of the BIA;

- e) filing the necessary prescribed forms required pursuant to the BIA for the NOIs;
- f) comparing the actual receipts and disbursements to the Fifth Cash Flow Statement and documenting reasons for variances, if any;
- g) assisting the Companies in preparing the Sixth Cash Flow Statement;
- h) corresponding and holding numerous discussions with management and AMI's restructuring counsel, Fasken Martineau DuMoulin LLP ("**Fasken**"), with respect to general filing matters and specific matters related to the Transaction, JMAC ROFR Dispute and the Settlement Agreement;
- i) discussions with Fasken regarding the Settlement Agreement;
- j) assisting the Companies' management regarding planning transition steps for accounting and tax compliance if the Transaction is approved;
- k) reviewing cash flow statements provided for AMIS LLC and providing comments to assist in facilitating the monitoring requirements pursuant to the Second Interim Financing Term Sheet;
- l) responding to calls and emails from creditors, suppliers, customers, and other stakeholders;
- m) maintaining the Case Website for these Proposal Proceedings; and
- n) preparing this Fourth Report.

## **5.2 Activities of the Companies**

1. The Proposal Trustee has observed certain key activities of the Companies since filing its Third Report which include the following:
  - a) continuing their efforts to improve the operations of the business and manage day-to-day operations;
  - b) communicating with various stakeholders and creditors regarding the Proposal Proceedings, in consultation with the Proposal Trustee;

- c) working with the Proposal Trustee to prepare bi-weekly reporting packages for Badger pursuant to the terms of the Replacement Interim Financing Agreement;
- d) negotiating the terms of the Settlement Agreement with JMAC;
- e) attending questionings in accordance with the Litigation Schedule;
- f) negotiating the Badger Amending Agreement and Badger Waiver Agreement as discussed in the Fifth Churchill Affidavit. Since the date of the Fifth Churchill Affidavit, the Proposal Trustee understands that both of these documents have since been executed by Badger;
- g) corresponding with Fasken and the Proposal Trustee;
- h) meeting with Badger representatives to discuss post-closing transition plans;
- i) having discussions with the Proposal Trustee on ResidualCo transition matters;
- j) communicating on an ongoing basis with certain creditors, stakeholders, and/or their advisors;
- k) reporting to the Proposal Trustee weekly cash receipts and disbursements;
- l) working with the Proposal Trustee in preparing the Sixth Cash Flow Statement; and
- m) working with Fasken and the Proposal Trustee to prepare materials for the Companies' application to be heard on April 19, 2024.

## **6.0 Cash Flow Statement**

### **6.1 Performance Against the Fifth 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 their obligations that have arisen since the Filing Date except for annual minimum royalty payments and professional fees. Royalty payments in the approximate amount of \$120,000 are related to the Prosvita Sand Project. The Proposal Trustee understands that the Companies have reached an agreement with



the three royalty holders to defer payment of these outstanding royalties until closing of a transaction pursuant to the SISP. Each of the Badger Transaction and the JMAC Backup Bid identify these payments as “Cure Costs”, payable by the respective Purchaser within 30 days of closing of the transaction.

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 Fifth Cash Flow Statement for the period from March 4, 2024 to April 7, 2024 (the “**Fourth Reporting Period**”) is attached hereto as **Appendix “B”**. A summary of the comparison is as follows:

<b>Fourth Reporting Period</b>	<b>Actual</b>	<b>Fifth Cash Flow Statement</b>	<b>Favourable / (Unfavourable) Variance</b>
Opening Cash	\$ 984,626	\$ 985,168	\$ (542)
Receipts	195,816	146,960	48,856
Operating Disbursements	156,735	266,747	110,012
Net Cashflow from Operations	39,080	(119,787)	158,867
Non-Operating Disbursements	3,669,824	3,497,000	(172,824)
Net Cashflow	(3,630,744)	(3,616,787)	(13,957)
Interim Financing Advances	3,250,000	3,100,000	150,000
Ending Cash Balance	\$ 603,882	\$ 468,381	\$ 135,501

#### Proposal Trustee’s Comments

4. For the Fourth Reporting Period, total net cash flow was approximately \$135,501 greater than forecasted in the Fifth Cash Flow Statement representing a favourable variance.
5. Receipts for the Fourth Reporting Period were \$48,856 greater than forecasted in the Fifth Cash Flow Statement representing a favourable variance. The Proposal Trustee has reviewed the variances with the Companies and the variances are largely attributable to a timing difference on receipt of a cash deposit related to a cancelled letter of credit and GST refunds.

6. For the Fourth Reporting Period, operating disbursements were approximately \$110,012 less than forecasted in the Fifth Cash Flow Statement and non-operating disbursements were approximately \$172,824 greater than forecasted in the Fifth Cash Flow Statement. The Proposal Trustee has reviewed the variances with the Companies and the variances are largely attributable to timing differences related to payment of professional fees and payments to contractors that were lower than forecasted.
7. Further details and comments on the variances are included in **Appendix “B”**.

## **6.2 The Sixth Cash Flow Statement**

1. Pursuant to the BIA, the Companies are required to prepare a cash flow statement for the stay extension period. The Sixth Cash Flow Statement for the period from April 1, 2024 to May 19, 2024, together with Management’s Report on the Cash-Flow Statement as required by subsection 50.4(2)(c) of the BIA, is collectively attached hereto as **Appendix “C”**.
2. The Sixth Cash Flow Statement was prepared by the Companies with the assistance of the Proposal Trustee using probable and hypothetical assumptions set out therein. The Companies’ receipts during the proposed stay extension period are comprised largely of the collection of deposits related to previous 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. The Proposal Trustee’s review of the Sixth Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to the information supplied to it by the Companies. Since probable and hypothetical assumptions need not be supported, the Proposal Trustee’s procedures were limited to evaluating whether they were consistent with the purpose of the Sixth Cash Flow Statement, and there are no material assumptions contained therein which seem unreasonable in the circumstances.
4. Based on the Proposal Trustee’s review, as at the date of this Fourth Report, nothing has come to its attention that causes it to believe that, in all material respects:
  - a) the probable and hypothetical assumptions are not consistent with the purpose of the Sixth Cash Flow Statement; and

- b) the probable and hypothetical assumptions developed by the Companies are not supported and consistent with the plan of the Companies or do not provide reasonable basis for the Sixth Cash Flow Statement. The Proposal Trustee's Report on the Companies' Cash Flow Statement as required by subsection 50.4(2)(b) of the BIA is attached as **Appendix "D"**.
5. The Sixth Cash Flow Statement is largely consistent with the Fifth Cash Flow Statement except for the period covered and revisions on the timing of payments. The Sixth Cash Flow Statement assumes that the Transaction will close by April 30, 2024 and therefore, does not include any transactions for the Companies after this period. Transactions related to ResidualCo post closing of the Transaction or payments from proceeds of the Transaction are also not reflected in the Sixth Cash Flow Statement.

## **7.0 Companies' Request for an Extension**

1. The Companies are seeking an extension of the time required to file a proposal from April 22, 2024 to May 13, 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 time to conclude either the Transaction or the Backup Bid and implement the procedures outlined in the Transaction Approval and Reverse Vesting Order, subject to Court Approval;
  - c) the extension should not adversely affect or materially 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 Sixth Cash Flow Forecast; and
  - d) the Transaction if approved, will provide significant benefit to stakeholders that is anticipated to provide a payment in full to creditors and a distribution to equity claimants.

## 8.0 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,

Handwritten signature in blue ink that reads "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”**



**B301-009380**

COURT FILE NUMBER &  
BANKRUPTCY ESTATE  
NUMBER  
COURT

**25-3009380**

JUDICIAL CENTRE

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

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

APPLICANTS

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

DOCUMENT

**ORDER: Stay Extension & Litigation Schedule**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

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

---

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 8, 2024

**LOCATION WHERE ORDER WAS PRONOUNCED:** Edmonton, Alberta

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

---

**UPON HAVING READ** the application filed March 4, 2024 (the "**Application**") of Athabasca Minerals Inc. ("**AMI**"), AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., TerraShift Engineering Ltd., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. (collectively, the "**Companies**"), for an order, among other things, confirming a litigation schedule with respect to hearing the Companies' Application filed February 26, 2024 (the "**Transaction Approval**

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

**AND UPON HAVING READ** the Application, the Transaction Approval Motion, the Affidavit No. 3 of John David Churchill, sworn February 26, 2024 (the "**Third Churchill Affidavit**"), the Affidavit No. 4 of John David Churchill, sworn March 4, 2024, and the Exhibits thereto (the "**Fourth Churchill Affidavit**"), the Third Report of KSV Restructuring Inc. filed in its capacity as proposal trustee of the Applicants (in such capacity, the "**Proposal Trustee**"), dated February 29, 2024 (the "**Third Report**"), the Supplement to the Proposal Trustee's Third Report, dated March 7, 2024 (the "**Supplemental Report**"), and the Affidavit of Service of Kim Picard sworn March 7, 2024, and the pleadings previously filed in the within proposal proceedings;

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

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

**IT IS HEREBY ORDERED AND DECLARED THAT:**

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

#### **EXTENSION AND STAY**

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

#### **ADJOURNMENT OF CROSS-APPLICATION**

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

#### **LITIGATION SCHEDULE**

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



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

#### **MISCELLANEOUS MATTERS**

9. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Companies and the Proposal Trustee, as the case may be, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.
10. Service of this Order shall be deemed good and sufficient:
- a. by serving same on the persons who were served with notice of this Application and any other parties attending or represented at the hearing of this Application; and
  - b. by posting a copy of this Order on the Proposal Trustee's website at: <https://www.ksvadvisory.com/experience/case/athabasca-minerals>.

11. Service of this Order on any other person is hereby dispensed with.
12. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

A handwritten signature in black ink, appearing to be 'J. A.', positioned above a horizontal line.

---

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

## **Appendix “B”**

## Comparison of Fifth Cash Flow Statement to Actual

Fourth Reporting Period	Actual	Fifth Cash Flow Statement	Favourable / (Unfavourable) Variance	Notes
<b>Opening Cash</b>	\$ 984,626	\$ 985,168	\$ (542)	
<b>Receipts</b>				
Collection of Outstanding Receivables	195,816	146,960	48,856	1
<b>Total Receipts</b>	195,816	146,960	48,856	
<b>Operating Disbursements</b>				
Wages, Salaries, and Benefits	105,740	116,000	10,260	
Utilities	1,031	2,500	1,469	
Other Operating Expenses	40,765	133,387	92,622	2
Rent	9,199	14,860	5,661	
<b>Total Operating Disbursements</b>	156,735	266,747	110,012	
<b>Net Cashflow From Operations</b>	39,080	(119,787)	158,867	
<b>Non-Operating Disbursements</b>				
AMI Silica LLC - Funding	-	-	-	
Other Disbursements	50,294	50,000	(294)	
Anticipated Capital Expenditure	691	-	(691)	
Interest and Principal	3,006,853	2,980,000	(26,853)	3
Legal Counsel Fees	529,010	297,000	(232,010)	4
Trustee Fees	82,976	120,000	37,024	5
Trustee's Legal Counsel Fees	-	50,000	50,000	6
<b>Total Non-Operating Disbursements</b>	3,669,824	3,497,000	(172,824)	
<b>Total Disbursements</b>	3,826,559	3,763,747	(62,812)	
<b>Net Cash Flow</b>	(3,630,744)	(3,616,787)	(13,957)	
<b>Interim Financing</b>				
Interim Financing Advances	3,250,000	3,100,000	150,000	
<b>Ending Cash Balance</b>	<b>\$ 603,882</b>	<b>\$ 468,381</b>	<b>\$ 135,501</b>	

**Notes:**

1. Favourable variance due to collection of cash collateral from CWB and GST refunds.
2. Favourable variance due to lower than forecasted contractor requirements.
3. Unfavourable variance due to higher than forecasted JMAC DIP repayment.
4. Unfavourable variance as a result of timing differences due to timing of invoices received.
5. Favourable variance as a result of timing differences due to timing of invoices received.
6. Favourable variance as a result of timing differences due to timing of invoices received.

## **Appendix “C”**

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,  
 AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.  
 Cash Flow Forecast  
 April 01, 2024 to May 19, 2024

For the week ending, In CAD	Notes	Forecast Week 1 7-Apr-24	Forecast Week 2 14-Apr-24	Forecast Week 3 21-Apr-24	Forecast Week 4 28-Apr-24	Forecast Week 5 5-May-24	Forecast Week 6 12-May-24	Forecast Week 7 19-May-24	Forecast Week 8 26-May-24	Forecast Week 9 2-Jun-24	Forecast Week 10 9-Jun-24	Forecast Week 11 16-Jun-24	Forecast Week 12 23-Jun-24	Forecast Week 13 30-Jun-24	Total
Opening cash balance	1	731,943	602,423	708,423	370,423	103,423	0	0	0	0	0	0	0	0	731,943
<b>Cash Receipts</b>															
Cash Collections	2	33,743	-	-	-	8,460	-	-	-	-	-	-	-	-	42,203
		33,743	-	-	-	8,460	-	-	-	-	-	-	-	-	42,203
<b>Cash Disbursements</b>															
<b>Operating Expenses</b>															
Wages, salaries, and benefits	3	5,000	57,000	3,000	57,000	-	-	-	-	-	-	-	-	-	122,000
Utilities	4	500	-	-	1,000	-	-	-	-	-	-	-	-	-	1,500
Other operating expenses	5	23,387	9,000	5,000	9,000	-	-	-	-	-	-	-	-	-	46,387
Rent	6	1,400	-	-	-	14,860	-	-	-	-	-	-	-	-	16,260
		30,287	66,000	8,000	67,000	14,860	-	-	-	-	-	-	-	-	186,147
<b>Other Disbursements</b>															
AMI Silica LLC - funding	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other disbursements	7	50,000	-	330,000	-	-	-	-	-	-	-	-	-	-	380,000
Anticipated capital expenditures	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		50,000	-	330,000	-	-	-	-	-	-	-	-	-	-	380,000
<b>Debt Repayment</b>															
Interest & principal		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements		80,287	66,000	338,000	67,000	14,860	-	-	-	-	-	-	-	-	566,147
<b>Professional Costs</b>	9														
Company counsel legal fees		-	150,000	-	200,000	27,023	-	-	-	-	-	-	-	-	377,023
Trustee fees		82,976	-	-	-	50,000	-	-	-	-	-	-	-	-	132,976
Trustee's counsel fees		-	28,000	-	-	20,000	-	-	-	-	-	-	-	-	48,000
Total Professional Costs		82,976	178,000	-	200,000	97,023	-	-	-	-	-	-	-	-	557,999
<b>Net cash flow</b>		(129,520)	(244,000)	(338,000)	(267,000)	(103,423)	-	-	-	-	-	-	-	-	(1,081,943)
<b>Interim financing</b>															
Interim financing advances / (repayments)	10	-	350,000	-	-	-	-	-	-	-	-	-	-	-	350,000
<b>Closing cash (operating line) balance</b>		<b>602,423</b>	<b>708,423</b>	<b>370,423</b>	<b>103,423</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Management of Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd. (collectively "AMI" or the "Companies") has prepared this forecasted cash-flow statement (the "Cash Flow Forecast") based on probable and hypothetical assumptions detailed in Notes 1 to 10. The Cash Flow Forecast has been prepared on a consolidated basis, as the Companies have been granted a consolidation order by the Court. The Cash Flow Forecast has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by each of the Companies on November 13, 2023. As such, readers are cautioned that it may not be appropriate for their purposes. The Cash Flow Forecast of the Companies is prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash-flow Statement.

Dated at the City of Calgary in the Province of Alberta, this 8th day of April 2024.

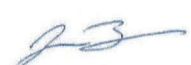
Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,  
 AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.

Per:

  
 David Churchill  
 Chief Financial Officer

KSV Restructuring Inc.

Per:

  
 Andrew Basi, CPA, CA, CIRP, LIT  
 Managing Director

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,  
AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.  
Notes to the Cash Flow Forecast  
April 01, 2024 to May 19, 2024

Note 1

Consolidated cash balance for all Athabasca entities. Please note only the following entities have bank accounts: Athabasca Minerals Inc., AMI RockChain Inc. (formerly Aggregates Marketing Inc.), AMI Silicia Inc., TerraShift Engineering Ltd 2132561 Alberta Ltd. and 2140534 Alberta Ltd. The following entities do not have bank accounts: AMI Aggregates Inc. The Cash Flow Forecast assumes that the Transaction will close on April 30, 2024, however the actual closing date may be prior to or later than this forecasted date. The Cash Flow Forecast does not reflect any cash transactions related to ResidualCo.

Note 2

Athabasca Minerals Inc. owns a 50% interest in AMI Silicia LLC. The only cash flow for AMI is through monthly management fees and reimbursement of expenses from AMI Silicia LLC. Monthly management fees are not being paid due to insufficient working capital in the AMI Silicia LLC. AMI Silicia LLC is currently experiencing working capital shortfall that has been funded with a cash call by its two equity holders in December 2023. Cash is being very tightly managed in the LLC

Note 3

Athabasca Minerals Inc. has 9 employees. The other entities do not have employees. Payroll is mid month and month end. Employee benefits are through Equitable Life and are paid at month end.

Note 4

Utilities are for EPCOR and Direct Energy for the Edmonton office. Calgary office utilities are included in rent

Note 5

Other operating expenses are as follows: Third party IT support, office supplies, water for office, Xerox for photocopier in Edmonton office, Telus mobility, Shaw internet, Shaw phone, Website management, fuel for company vehicles, janitorial services for the Edmonton office.

Note 6

Rent for both office leases in Calgary and Edmonton. Property taxes are included in the monthly lease payments.

Note 7

Other disbursements include amounts for D&O run-off insurance that will need to be paid 7 days before closing. A Prosvita Land option payment of \$50,000 is required to retain the asset. This cheque was issued in March with payment clearing April 2

Note 8

Capital expenditures are required to maintain the in-basin sand development project leases in Montney BC.

Note 9

Trustee fees to KSV Restructuring and their legal counsel, Bennett Jones and to Fasken as AMI counsel and its US counsel with respect to US legal matters.

Note 10

Interim advances are pursuant to the Replacement Interim Financing Order granted on March 8, 2024. The Second Interim Financing Facility is for the amount of \$5,300,000.

\_ 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 8<sup>th</sup> day of April, 2024, consisting of a signed pdf copy of a weekly cash flow statement for the period ending May 19, 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 8th day of April 2024.

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 May 19, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending May 19, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending May 19, 2024

Dated at the City of Calgary in the Province of Alberta, this 8<sup>th</sup> day of April 2024.

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 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 8th day of April 2024, consisting of a signed pdf copy of a weekly cash flow statement for the period ending May 19, 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.

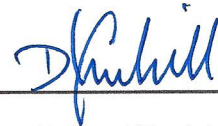
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

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 8<sup>th</sup> day of April 2024.

---

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

J. 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 May 19, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending May 19, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending May 19, 2024

Dated at the City of Calgary in the Province of Alberta, this 8th day of April 2024.

---

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