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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 **SECOND REPORT OF THE PROPOSAL TRUSTEE
JANUARY 19, 2024**

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

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

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

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

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1.0 Introduction

1. This second report (this “**Second 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**”) (the “**Proceedings**”).
2. On December 6, 2023, AMI filed an application, returnable December 12, 2023, seeking various relief supported by evidence outlined in the affidavit of John David Churchill sworn on December 6, 2023 (the “**First Churchill Affidavit**”). In conjunction with the Companies’ application, the Proposal Trustee filed its first report to court dated December 8, 2023 (the “**First Report**”).
3. On December 12, 2023, the parties appeared before Justice D.B. Nixon of the Court of King’s Bench of Alberta (the “**Court**”) who heard submissions from interested parties and pronounced an Order (the “**First Extension Order**”) that, among other things:
 - a) approved the consolidation of the Companies’ proposal proceedings into one court action number and bankruptcy estate number for administrative purposes and permitted the Companies to file a joint proposal to their creditors;
 - b) extended the time for the Companies to file a proposal with the Official Receiver to and including January 26, 2024;
 - c) granted a first-priority charge (the “**Administration Charge**”) in the maximum amount of \$350,000, in favour of the Companies’ legal counsel, the Proposal Trustee and its legal counsel as security for the payment of professional fees in the Proceedings;
 - d) approved a term sheet from JMAC Energy Services LLC (“**JMAC**”) for an interim credit facility in the maximum amount of \$2,850,000 (the “**Interim Loan**”) and granted a second-priority charge in respect of the Interim Loan amounts borrowed;

- e) approved AMI's proposed sale and investment solicitation process (the "**SISP**") to be conducted by the Companies in consultation with the Proposal Trustee and Canaccord Genuity Corp. as the sales advisor (the "**Sales Advisor**"). A third-priority charge was granted in favour of the Sales Advisor in the amount of \$450,000;
- f) approved the stalking horse term sheet pursuant to the SISP and approved the expense reimbursement defined in the stalking horse term sheet between the Companies and JMAC (the "**Stalking Horse Bidder**");
- g) required that in order for JMAC to participate in the SISP, JMAC is required to continue to honor its existing agreements between itself and AMI Silica LLC ("AMIS LLC") and carry on business in the ordinary course, provided that nothing in the First Extension Order shall effect JMAC's contractual rights and obligations;
- h) in recognition of a settlement of a dispute between the Companies and Badger Mining Corporation ("**Badger**"), provided that should Badger participate in the SISP, Badger shall be permitted to include as a term of any offer submitted by it in the SISP that a component of the purchase price will be satisfied by way of set-off or a credit towards the overall purchase price in the amount of \$50,000;
- i) ordered the Companies to indemnify their directors and officers, to the extent that coverage is not provided under any director's or officer's insurance policy, and granted the directors and officers of the Companies a fourth-ranking priority charge as security for this indemnity, which charge shall not exceed an aggregate amount of \$60,000 (the "**Director's Charge**"); and
- j) approved a Key Employee Retention Program (the "**KERP**") and granted a fifth-priority charge in the amount of \$260,000.

A copy of the First Extension Order is attached hereto as **Appendix "A"**.

1.1 Purposes of this Second Report

1. The purpose of this Second Report is to provide the Court with further information related to the relief sought by the Companies on their application scheduled for January 26th, 2024. This Second Report specifically provides information regarding:
 - a) the Proposal Trustee's activities since the First Report;

- b) the Companies' activities since the First Report;
- c) 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**") filed in the 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 commencing on January 8, 2024, and ending April 7, 2024 (the "**Third Cash Flow Statement**");
- e) the Companies' actual performance to date versus the Second Cash Flow Statement; and
- f) AMI's application for an Order (the "**Second Extension Order**") extending the period in which AMI can make a proposal to its creditors and the stay of proceedings up to and including March 11, 2024 (the "**Stay Extension**").

1.2 Scope and Terms of Reference

1. In preparing this Second 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 Second 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 Statement as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Second 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 Statement will be achieved.

4. This Second Report should be read in conjunction with the materials filed by the Companies, including the First Churchill Affidavit, the Supplemental Affidavit of John David Churchill, the Chief Financial Officer of the Companies, sworn December 8, 2023, and the Affidavit No. 2 of John David Churchill, sworn on January 15, 2024, (collectively the “**Churchill Affidavits**”). Capitalized terms not defined in this Second Report have the meanings ascribed to them in the respective Churchill Affidavits.

1.3 Currency

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

1.4 Court Materials

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 Activities of the Companies and Proposal Trustee

2.1 Activities of the Proposal Trustee

1. Since its First Report, the Proposal Trustee has performed the following key activities:
 - a) attending on-going meetings with the Companies’ management and/or the Sales Advisor to discuss the proposal process and the ongoing sales process;
 - b) assisting the Companies with their communications to both internal and external stakeholders;
 - c) 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;
 - d) filing the necessary prescribed forms required pursuant to the BIA for the NOIs;
 - e) comparing the actual receipts and disbursements to the Second Cash Flow Statement and documenting reasons for variances, if any;
 - f) assisting the Companies in preparing the Third 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 conducting the SISP, including concerns regarding the inclusion of sensitive commercial documentation in the VDR (as defined below) and coordination of site visits by Qualified Bidders in the SISP;
- h) reviewing cash flow statements provided for AMIS LLC;
- i) responding to calls and emails from creditors, suppliers, customers, and other stakeholders;
- j) attending certain management presentations with potential purchasers;
- k) maintaining the Case Website for these Proceedings; and
- l) preparing this Second Report.

2.2 Activities of the Companies

1. The Proposal Trustee has observed certain key activities of the Companies since filing its First Report:
 - 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) conducting the SISP in consultation with the Proposal Trustee and the Sales Advisor, including:
 - i. providing appropriate due diligence materials to the Sales Advisor for posting to the VDR;
 - ii. responding to various due diligence requests and questions raised by Qualified Bidders in the SISP;
 - iii. negotiating arrangements with JMAC, as the other 50% owner of AMIS LLC, for the disclosure of certain sensitive commercial information related to AMIS LLC's operations; and

- iv. coordinating site visits for Qualified Bidders in the SISP;
- d) corresponding with the Companies' legal counsel, Fasken, and the Proposal Trustee;
- e) communicating on an ongoing basis with certain creditors and/or their advisors;
- f) reporting to the Proposal Trustee on a weekly basis in respect of the Companies' receipts and disbursements;
- g) working with the Proposal Trustee in preparing the Third Cash Flow Statement;
- h) working with their legal counsel and Proposal Trustee to prepare materials for the Second Extension Order.

3.0 Cash Flow Statement

3.1 Performance Against the Second Cash Flow Statement

1. A copy of the Second Cash Flow Statement is attached hereto as **Appendix "B"**. 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 in the approximate amount of \$120,000 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. The Proposal Trustee supports this arrangement, as it aids the Companies in managing their liquidity position.
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 Second Cash Flow Statement for the period from December 4, 2023 and ending March 3, 2024 (the "**Second Reporting Period**") is attached hereto as **Appendix "C"**. A summary of the comparison is as follows:

Second Reporting Period	Actual	Second Cash Flow Statement	Favourable / (Unfavourable) Variance
Opening Cash	\$ 1,176,782	\$ 1,175,887	\$ 895
Receipts	33,684	102,167	(68,483)
Operating Disbursements	263,522	412,721	149,199
Net Cashflow from Operations	(229,838)	(310,554)	80,716
Non-Operating Disbursements	2,819,634	3,301,000	481,366
Net Cashflow	(3,049,471)	(3,611,554)	562,083
Interim Financing Advances	2,865,188	2,825,000	40,188
Ending Cash Balance	\$ 992,499	\$ 389,333	\$ 603,166

Proposal Trustee's Comments

4. For the Second Reporting Period, total net cash flow was approximately \$603,000 greater than forecasted in the Second Cash Flow Statement representing a favourable variance.
5. Cash Operating Receipts for the Second Reporting Period were approximately \$68,000 less than forecasted in the Second Cash Flow Statement representing an unfavourable 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.
6. For the Second Reporting Period, operating disbursements were approximately \$149,000 less than forecasted in the Second Cash Flow Statement and non-operating disbursements were approximately \$481,000 less than forecasted in the Second Cash Flow Statement, both representing a favourable variance. The Proposal Trustee has reviewed the variances with the Companies and the variances are largely attributable to timing differences and lower operating costs than forecasted.
7. Further details and comments on the variances are included in **Appendix "C"**.

3.2 The Third Cash Flow Statement

1. Pursuant to the BIA, the Companies are required to prepare a cash flow statement for the stay extension period. The Third Cash Flow Statement for the period starting on January 8, 2024 and ending April 7, 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 "D"**.
2. The 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 Third 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 Third 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 Second 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 Third 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 Third 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 Third Cash Flow Statement is largely consistent with the Second Cash Flow Statement except for the period covered and revisions on the timing of payments. The Third Cash Flow Statement assumes that a further Interim Loan will not be required given the Companies understand and expect that the factoring arrangements between AMIS LLC and JMAC will continue in the normal course. Should the factoring arrangements not continue for any reason, the Companies may be required to seek additional interim financing.

4.0 Update on the Sales and Investment Solicitation Process (SISP)

1. As outlined above, pursuant to the First Extension Order, this Court approved the SISP, which was developed in consultation with the Proposal Trustee and the Sales Advisor, to solicit interest in, and opportunities for (i) a sale of all or substantially all of the Property (as defined therein) of the Companies or their business, whether through an asset purchase, share purchase or a combination thereof, or (ii) for an investment in, restructuring, recapitalization, reorganization or refinancing of the Companies or their Business (as defined therein), or a combination thereof.

Solicitation of Interest

2. The following steps were taken to solicit interest in the SISP:
 - a) the Sales Advisor prepared a list of potential bidders who may be interested in the Companies' Property and/or the Companies' Business;
 - b) an initial offering summary (the "**Teaser**") describing the SISP and the business and Property of the Companies was emailed to the potential bidders;
 - c) the Companies issued a press release on December 15, 2023, that provided notice of the SISP and invited interested parties to contact either the Proposal Trustee or the Sales Advisor;
 - d) an advertisement of the SISP was posted in the following publications:
 - i. in the BOE Report on December 15, 2023; and
 - ii. the Calgary Herald on December 19, 2023;
 - e) a draft confidentiality agreement was prepared by Companies' legal counsel and provided to those parties that requested access to the data room; and

- f) the Companies, with the assistance of the Sales Advisor, established an electronic data room (the “VDR”) with information on the Companies’ Business and Property required to perform due diligence.
3. The following activities are ongoing with respect to the SISP:
- a) parties are submitting questions to the Companies and these questions with responses are being posted in the VDR;
 - b) certain Qualified Bidders have requested management presentations which are currently ongoing; and
 - c) certain Qualified Bidders have requested a site tour at the AMIS LLC location in Hixton, Wisconsin and these tours are currently being facilitated.
4. As at the date of this Second Report, Qualified Bidders remain active in performing due diligence for the purposes of submitting a bid by the Bid Deadline. The Bid Deadline pursuant to the SISP is January 31, 2024.

5.0 Companies’ Request for an Extension

1. The Companies are seeking an extension of the time required to file a proposal from January 26, 2024 to March 11, 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 their creditors;
 - 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 Third Cash Flow Forecast; and
 - d) it will provide the Companies the additional time they require to further advance their restructuring and develop a viable proposal, which is in the interest of all stakeholders.

6.0 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”



B301 009380

COURT FILE NUMBER &
BANKRUPTCY ESTATE
NUMBER
COURT

25-3009380, 25-3009384, 25-3009386, 25-3009385, 25-3009379, 25-3009389, 25-3009398

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: Approval of Procedural Consolidation, Priority
Charges, KERP, Stalking Horse SISP & Stay Extension**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

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

DATE ON WHICH ORDER WAS PRONOUNCED: December 12, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable ACJ B. Nixon

UPON THE APPLICATION by 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 “**Applicants**”), for an order, among other things: (i) consolidating and continuing the proceedings under each of the Applicant’s bankruptcy estates into one estate; (ii) permitting the Applicants to file a joint proposal to their creditors; (iii)

extending the time for the Applicants to file a proposal and the stay of proceedings pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, C B-3 (“**BIA**”); (iv) approving certain Court-ordered priority charges, as more particularly set out in the Application and below; (v) approving a key employee retention plan and corresponding priority charge; (vi) approving the SISP (defined below); (vii) approving payment of the Expense Reimbursement (as defined below); (viii) extending the time for AMI to hold an annual general meeting of its shareholders (“**AGM**”) under the *Business Corporations Act*, RSA 2000, c B-9 (“**ABCA**”); and (ix) sealing certain confidential information;

AND UPON HAVING READ the Application, the Affidavit of John David Churchill, sworn December 6, 2023, and the Exhibits thereto (the “**Churchill Affidavit**”), the Supplemental Affidavit of David Churchill, sworn December 8, 2023, and the Exhibits thereto (the “**Supplemental Churchill Affidavit**”), the First Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Applicants (in such capacity, the “**Proposal Trustee**”), dated December 8, 2023 (the “**First Report**”), and the Affidavit of Service of Kim Picard sworn December 12, 2023;

AND UPON HEARING the submissions of counsel for the Applicants, the Proposal Trustee, JMAC Energy Services LLC, Badger Mining Corporation and such other counsel in attendance at the hearing of the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Churchill Affidavit.

SERVICE

2. 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.

CONSOLIDATION OF ESTATES

3. Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., TerraShift Engineering Ltd., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. are hereby permitted to consolidate the proceedings in Estate Nos. 25-3009380, 25-3009384, 25-3009386, 25-3009385, 25-3009379, 25-3009389, and 25-3009398, and such consolidation

is hereby ordered and the proceedings shall continue under Estate No. 25-3009380 (the “**Consolidated Proceedings**”).

4. Athabasca Minerals Inc., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., TerraShift Engineering Ltd., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. are hereby permitted to file a joint proposal to their creditors in the Consolidated Proceedings.

EXTENSION AND STAY

5. The Applicants are granted an extension of 45 days, to January 26, 2024, to file a joint proposal to their creditors, under section 50.4(9) of the BIA.
6. The stay of proceedings in the within matter is extended by 45 days to and including January 26, 2024 (the “**Proposal Extension Date**”).

ADMINISTRATION CHARGE

7. The Proposal Trustee, the Proposal Trustee's counsel, and the Applicants’ counsel shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges, by the Applicants as part of the costs of these proceedings.
8. For the fees incurred in connection with these proceedings, including those incurred prior to commencement of these proceedings, the Proposal Trustee, the Proposal Trustee's counsel, and the Applicants’ counsel shall be entitled to the benefit of, and are hereby granted, a charge (the “**Administration Charge**”) on all current and future assets, undertakings, and properties of the Applicants, of every nature and kind whatsoever, and wherever situated including all proceeds thereof (collectively, the “**Charged Property**”), which Administration Charge shall not exceed an aggregate amount of \$350,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 32 herein.

INTERIM FINANCING AND INTERIM LENDER’S CHARGE

9. The Applicants are authorized and empowered to borrow under an interim financing term sheet dated December 5, 2023 (the “**Interim Financing Term Sheet**”), attached as Exhibit “O” to the Churchill Affidavit, between the Applicants, as borrower, and JMAC Energy Services LLC, as lender (in such capacity, the “**Interim Lender**”). The Applicants are

authorized and empowered to perform their obligations under the Interim Financing Term Sheet and to obtain and borrow under the Interim Financing Term Sheet, provided that borrowing under such interim revolving credit facility shall not exceed the principal amount of \$2,850,000.

10. The Applicants are authorized and empowered to execute and deliver such mortgages, charges, hypothecs and security documents, and other definitive documents (such documents, together with the Interim Financing Term Sheet, collectively, the “**Definitive Documents**”), as are contemplated by the Interim Financing Term Sheet or as may reasonably be required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provisions of this Order.
11. The Interim Lender shall be entitled to the benefit of and is granted a charge (the “**Interim Lender’s Charge**”) on the Charged Property, which Interim Lender’s Charge shall not secure an obligation that exists before this Order is made. The Interim Lender’s Charge shall attach to the Charged Property and shall not exceed an aggregate amount of \$2,850,000. The Interim Lender’s Charge shall have the priority set out in paragraph 32 herein.
12. Notwithstanding any other provisions of this Order, the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record, or perfect the Interim Lender’s Charge or any of the Definitive Agreements.
13. All claims of the Interim Lender pursuant to the Definitive Documents are not claims that may be compromised pursuant to any proposal under the BIA filed by the Applicants without the consent of the Interim Lender and the Interim Lender shall be treated as unaffected in any proposal filed by the Applicants under the BIA with respect to any obligations outstanding to the Interim Lender under or in respect of the Definitive Documents.

SALES AND INVESTMENT SOLICITATION PROCESS

14. The sales and investment solicitation process (“**SISP**”) attached as Exhibit “Q” to the Churchill Affidavit, and appended as **Appendix “A”** to this Order, is hereby approved, and the Applicants and the Proposal Trustee are hereby authorized and directed to implement the SISP and do all things that are reasonably necessary to conduct and give full effect to the SISP and carry out their obligations thereunder, including seeking approval of this Court as soon as reasonably practicable following the selection of a Successful Bid under the SISP, if applicable.
15. Notwithstanding any other provision of the SISP, and in recognition of the settlement of a dispute between the Applicants and Badger Mining Corporation (“**Badger**”), should Badger participate in the SISP, Badger shall be permitted to include as a term of any offer submitted by it in the SISP that a component of the purchase price will be satisfied by way of set-off or a credit towards the purchase price in the amount of \$50,000 CAD.
16. Up to and including the closing of a transaction under the SISP, should JMAC Energy Services LLC (“**JMAC**”) fail to honour and maintain the existing agreements between itself and AMI Silica LLC (“**AMIS LLC**”), a subsidiary of the Applicants, including, but not limited to the LLC Operating Agreement dated July 19, 2021, as amended from time to time, (the “**LLC Operating Agreement**”) and the Factoring Agreement dated June 10, 2022, or fail to otherwise carry on business in the ordinary course with AMIS LLC, including but not limited to those dealing with existing Capital Contributions, Capital Interests, Capital Account balances, Economic Interests, Membership Interests, Board of Governors, Governors and Officers, and Voting Units (as such capitalized terms are defined in the LLC Operating Agreement), as applicable, or should JMAC unilaterally exercise its interest in the LLC Operating Agreement to effect any changes to the items outlined above, JMAC shall be disqualified as participating as a bidder under the SISP, including as the Stalking Horse Bidder, provided that nothing herein shall affect JMAC’s contractual rights and obligations. For greater certainty, JMAC shall be disqualified from acting as a bidder under the SISP if it unilaterally exercises its interest in the LLC Operating Agreement to cause AMIS LLC to enter into any material agreement, with any party, outside the ordinary course of business.

17. The Applicants are hereby authorized to engage Canaccord Genuity Corp. as the sales advisor (“**Sales Advisor**”) to assist with the implementation of the SISP on the terms provided in the engagement letter between the Applicants and the Sales Advisor, dated December 5, 2023, attached as Confidential Exhibit “1” to the Churchill Affidavit (the “**Engagement Letter**”).
18. The Sales Advisor shall be the exclusive selling agent to market the Applicants’ Business and Property in accordance with the SISP.
19. The fees and expenses payable to the Sales Advisor as set out in the Engagement Letter are hereby approved.
20. The Sales Advisor shall be entitled to the benefit of and is granted a charge (the “**Sales Advisor’s Charge**”) on the Charged Property. The Sales Advisor’s Charge shall attach to the Charged Property and shall not exceed an aggregate amount of \$450,000. The Sales Advisor’s Charge shall have the priority set out in paragraph 32 herein.
21. The Sales Advisor and the Proposal Trustee shall incur no liability or obligation whatsoever to any person or party for any act or omission related to the SISP, except to the extent such act or omission is the result of gross negligence or willful misconduct of the Sales Advisor or the Proposal Trustee, as applicable.

BID PROTECTIONS

22. The stalking horse term sheet (the “**Stalking Horse Term Sheet**”) attached as Exhibit “P” to the Churchill Affidavit is hereby approved solely as the stalking horse bid in the SISP, provided that, nothing herein approves: (i) the acceptance and/or execution of the Stalking Horse Term Sheet by the Applicants; or (ii) the sale and the vesting of any Property to JMAC Energy Services LLC (in such capacity the “**Stalking Horse Bidder**”), their assignees, or any of their respective designees, if applicable, pursuant to the Stalking Horse Term Sheet and that the approval of the Applicants’ acceptance and execution of the Stalking Horse Term Sheet and/or any sale and vesting of any such Property shall be considered by this Court on a subsequent application made to this Court if the Stalking Horse Bid is the successful bid pursuant to the SISP.

23. The Expense Reimbursement, as defined in the Stalking Horse Term Sheet and the Churchill Affidavit, is hereby approved and the Applicants are hereby authorized and directed to pay the Expense Reimbursement to the Stalking Horse Bidder (or as it may direct) in the event the Stalking Horse Bidder is not the Successful Bidder pursuant to the SISF, out of the proceeds from and upon completion of any Successful Bid with any party other than the Stalking Horse Bidder.

KEY EMPLOYEE RETENTION PROGRAM AND CHARGE

24. The key employee retention program (“**KERP**”) pursuant to which the Applicants agree to provide compensation to key employees and executives (together, the “**Key Employees**”) in accordance with the terms set out in Confidential Exhibit “4” to the Churchill Affidavit is hereby approved.
25. The Applicants and any other person that may be appointed to act on behalf of the Applicants, including, without limitation, a trustee, liquidator, receiver, interim receiver, receiver and manager, or any other person acting on behalf of such a person, is hereby authorized and directed to implement and perform its obligations under the KERP in accordance with the terms of the KERP, and as may be modified by further Order of this Court.
26. The Applicants are hereby authorized and directed to execute and deliver such additional documents as may be necessary to give effect to the KERP, subject to the prior approval of the Proposal Trustee, or as may be ordered by this Court.
27. The Key Employees are hereby entitled to the benefit of and are granted a charge (the “**KERP Charge**”) on the Charged Property as security for amounts which may become payable under the KERP, provided such amounts do not exceed \$260,000. The KERP Charge shall have the priority set out in paragraph 32 herein.

DIRECTORS’ AND OFFICERS’ CHARGES

28. The Applicants shall indemnify its directors and officers against obligations and liabilities that they may incur as directors and officers of the Applicants after the commencement of the within proceedings, provided that the occurrence giving rise to the indemnified obligations and liabilities shall have occurred after November 13, 2023, except to the extent

that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or willful misconduct.

29. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$60,000, as security for the indemnity provided in paragraph 28 of this Order. The Directors' Charge shall have the priority set out in paragraph 32 herein.
30. Notwithstanding any language in any applicable insurance policy to the contrary: (i) no insurer shall be entitled to be subrogated to, or claim the benefit of, the Directors' Charge; and (ii) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' or officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 28 of this Order.

VALIDITY AND PRIORITY OF THE CHARGES CREATED BY THIS ORDER

31. The priorities of the Administration Charge, Interim Lender's Charge, the Sales Advisor's Charge, the KERP Charge, and the Directors' Charge (collectively, the "**Priority Charges**") each constitute a mortgage, security interest, assignment by way of security and charge on the Charged Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, the "**Encumbrances**"), in favour of any person, notwithstanding the order of perfection or attachment.
32. The priorities as among the Priority Charges shall be:
 - First – Administration Charge, to a maximum amount of \$350,000;
 - Second – Interim Lender's Charge, to a maximum amount of \$2,850,000;
 - Third – Sales Advisor's Charge, to a maximum amount of \$450,000;
 - Fourth – Directors' Charge, to a maximum amount of \$60,000; and
 - Fifth – KERP Charge, to a maximum amount of \$260,000.
33. Any security documentation evidencing, or the filing, registration, or perfection of, the Charges shall not be required, and the Charges shall be effective as against the Charged

Property and shall be valid and enforceable for all purposes, including as against any right, title, or interest filed, registered, recorded, or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register, or perfect such Charges.

34. The Charges and Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries of the Charges (the “**Chargees**”) shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA or any bankruptcy order made pursuant to such application(s); (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions, or other similar provisions with respect to borrowings, incurring debt, or the creation of Encumbrances contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease, or any other agreement (each, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:
- a. neither the creation of the Charges nor the execution, delivery, perfection, registration, or performance of the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
 - b. none of the Chargees shall have any liability to any person or entity whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Definitive Documents, the creation of the Charges, or the execution, delivery, or performance of the Definitive Documents; and
 - c. the payments made by the Applicants pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.
35. The Charges created by this Order over leases of real property in Canada shall only be a charge of the Applicants’ interest in such real property leases.

CORPORATE MATTERS

36. The time for AMI to call an AGM is extended until three (3) months following the closing of a transaction respecting all, or substantially all of, the Applicants' business or Property, if the obligation to hold an AGM remains present at that time.

SEALING

37. Notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*, Alta Reg 124/2010 (the "**Rules of Court**"), Confidential Exhibits "1", "2", "3" and "4" to the Churchill Affidavit and Confidential Exhibits "1" and "2" to the Supplemental Churchill Affidavit (collectively the "**Confidential Materials**"), shall until further Order of this Honourable Court, be sealed on the Court file and kept confidential to be shown only to a Justice of the Court of King's Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Materials in a sealed envelope attached to a notice that sets out the style of case of these proceedings and states:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED IN
COURT FILE NO. 25-3009380. THE CONFIDENTIAL MATERIALS ARE
SEALED PURSUANT TO THE SEALING ORDER ISSUED BY THE
HONOURABLE ACJ B. NIXON ON DECEMBER 12, 2023.

38. The Applicants and the Proposal Trustee are empowered and authorized, but not directed, to provide the Confidential Materials (or any portion thereof, or information contained therein) to any interested party, entity, or person that the Applicants or Proposal Trustee considers reasonable in the circumstances, subject to confidentiality arrangements satisfactory to the Applicants or the Proposal Trustee.
39. Any party may apply to set aside paragraph 37 of this Order upon providing the Applicants, Proposal Trustee, and all other interested parties with seven (7) days' notice of such application.

MISCELLANEOUS MATTERS

40. Notwithstanding rule 6.11 of the Rules of Court, unless otherwise ordered by this Court, the Proposal Trustee will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The

Proposal Trustee's reports shall be filed by the Clerk of the Court notwithstanding that they do not include an original signature.

41. This Court hereby requests the aid and recognition of any court, tribunal, regulatory, or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order, and to assist the Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.
42. Each of the Applicants or the Proposal Trustee shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
43. Any interested party (including the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
44. The granting of this Order, including the approval of the SISP, shall be without prejudice to any argument of JMAC regarding the extent and application of a right of first refusal granted to it pursuant to the LLC Operating Agreement, and without prejudice to any of JMAC's rights under the LLC Operating Agreement, upon the sale of the Applicants' Property, business, or shares, and any such rights may be exercised notwithstanding that Closing of any transaction under the SISP has occurred, and as if closing has not occurred.

SERVICE OF ORDER

45. 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>.

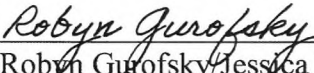
46. Service of this Order on any other person is hereby dispensed with.
47. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.


Justice of the Court of King's Bench of Alberta

APPROVED AS TO ORDER GRANTED BY:

FASKEN MARTINEAU DUMOULIN LLP

BENNETT JONES LLP

Per: 
Robyn Gurofsky/Jessica Cameron
Counsel to the Applicants

Per: 
Michael Selnes
Counsel to the Proposal Trustee

BLAKE CASSELS & GRAYDON LLP

FIELD LAW LLP

Per: 
Linc Rogers/Chris Keliher

Per: _____
Doug Nishimura

b. by posting a copy of this Order on the Proposal Trustee's website at:
<https://www.ksvadvisory.com/experience/case/athabasca-minerals>.

46. Service of this Order on any other person is hereby dispensed with.
47. 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.

Justice of the Court of King's Bench of Alberta

APPROVED AS TO ORDER GRANTED BY:

FASKEN MARTINEAU DUMOULIN LLP

BENNETT JONES LLP

Per: *Robyn Gurofsky*
Robyn Gurofsky/Jessica Cameron
Counsel to the Applicants

Per: _____
Michael Selnes
Counsel to the Proposal Trustee

BLAKE CASSELS & GRAYDON LLP

FIELD LAW LLP

Per: _____
Linc Rogers/Chris Keliher

Per: *D. Nishimura*
Doug Nishimura

- b. by posting a copy of this Order on the Proposal Trustee's website at:
<https://www.ksvadvisory.com/experience/case/athabasca-minerals>.
46. Service of this Order on any other person is hereby dispensed with.
47. 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.



Justice of the Court of King's Bench of Alberta

Appendix “A”: Sales and Investment Solicitation Process

**Procedure for the Sales and Investment Solicitation Process of
Athabasca Minerals Inc. et al**

1. On November 13, 2023, Athabasca Minerals Inc., TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (each a “**Company**” or collectively the “**Companies**”) each filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”).
2. On December 12, 2023, the Companies obtained an order from the Court (the “**Sales Process Order**”), which, among other things, approved the procedure for the Companies' sales and investment solicitation process of the Companies (the “**SISP**”).
3. Set forth below is the procedure to be followed with respect to the SISP to be undertaken to seek a Successful Bid (as defined below), and if there is a Successful Bid, to complete the transactions contemplated by the Successful Bid (the “**SISP Procedure**”).

Defined Terms

4. All monetary references shall be in Canadian dollars, unless otherwise stated.
5. In this SISP Procedure:

“**Approval Order**” means an order of the Court sought by the Companies to approve one or more transactions arising out of this SISP, together with any ancillary relief required to effect such transaction(s);

“**Business**” means the business presently carried on by the Companies;

“**Business Day**” means a day, other than a Saturday, Sunday, or statutory holiday in the Province of Alberta, on which banks are open for business in the City of Calgary;

“**Charging & Consolidation Order**” means the order granted by the Court on December 12, 2023, consolidating the Companies' respective notices of intention to make a proposal proceedings into one Office of the Superintendent in Bankruptcy estate and court file number, approving the Interim Financing Term Sheet and the Interim Financing Obligations, and granting and approving the Court-Ordered Charges;

“**Court**” means the Alberta Court of King’s Bench, (Commercial List, judicial center of Calgary);

“**Court-Ordered Charges**” means the charges created by the Charging & Consolidation Order, totaling a maximum aggregate value of \$3,520,000, comprised of:

- (a) the Administration Charge up to a maximum aggregate value of \$350,000;

- (b) the Interim Lender's Charge up to a maximum aggregate value of \$2,850,000;
- (c) the Directors' Charge up to a maximum aggregate value of \$60,000; and
- (d) the KERP Charge up to a maximum aggregate value of \$260,000;

"Court-Ordered Obligations" means the indebtedness, liabilities and obligations secured by the Court-Ordered Charges;

"Expense Reimbursement" means the amount of \$200,000 payable by the Companies to the Stalking Horse Bidder pursuant to the terms of the Stalking Horse Term Sheet;

"Interim Financing Advances" means advances made to the Companies pursuant to the Interim Financing Term Sheet in the maximum principal amount of \$2,850,000, or such other amount that may be later agreed to;

"Interim Financing Indebtedness" means all indebtedness owing by the Companies to the Interim Lender pursuant to the terms of the Interim Financing Term Sheet, including but not limited to the repayment of the Interim Financing Advances and accrued interest to the date of repayment;

"Interim Financing Term Sheet" means the Term Sheet entered into by the Companies and the Interim Lender and approved by the Court on December 12, 2023;

"Interim Lender" means JMAC Energy Services LLC;

"Outside Date" means March 12, 2024, or such other date as the Companies, the Proposal Trustee, and the Successful Bidder(s) may agree, acting reasonably;

"Property" means all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;

"Proposal Proceedings" means collectively the proceedings commenced by the Companies upon the filing of notices of intention to make a proposal to their respective creditors on November 13, 2023 in Court and Estate No.'s: 25-3009380, 25-3009379, 25-3009384, 25-3009385, 25-3009385, 25-3009398 and 25-3009389, respectively;

"Sales Advisor" means Canaccord Genuity Inc.;

"Secured Debt" means the debt owing by the Company to the Secured Party in the principal amount of \$2,000,000 pursuant to the Non-Revolver Term Loan Agreement between the Company as borrower and the Secured Party as lender dated as of February 16, 2023;

"Secured Party" means JMAC Energy Services LLC;

“**Security**” means the General Security Agreement between the Company and the Secured Party dated effective the 28th day of February, 2023 pursuant to which the Company pledged to the Secured Party by way of a fixed and floating charge, all of its undertaking, property (real and personal) and assets, both present and after-acquired, of every nature and kind and wherever situate;

“**Service List**” means the service list attached to the Companies' application materials with respect to obtaining approval of the Sales Process Order;

“**Stalking Horse Term Sheet**” means the term sheet provided by the Stalking Horse Bidder dated December 5, 2023 and attached hereto as **Schedule “C”**;

“**Stalking Horse Bidder**” means JMAC Energy Services LLC;

“**Starting Bid**” means the starting bid at the auction in an amount not to exceed the highest Superior Offer received by the Bid Deadline.

“**Superior Offer**” means a credible, reasonably certain and financially viable third party offer for: A) the acquisition of all or substantially all of the Property or Business contained in the Stalking Horse Term Sheet, or B) an investment, restructuring, recapitalization, refinancing or other form of reorganization of the Companies, the terms of which offer are no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Term Sheet, and which at a minimum, alone, or in combination with other offers, provides for consideration on the closing of the Superior Offer of an amount equal to at least:

- i) the total consideration payable pursuant to the Stalking Horse Term Sheet, being \$13,000,000; plus
- ii) the amount of the Expense Reimbursement of \$200,000;

Stalking Horse Term Sheet

6. This SISF is intended to solicit interest in, and opportunities for (the “**Opportunity**”) (i) a sale of all or substantially all of the Property of the Companies or their Business, whether through an asset purchase, share purchase or a combination thereof (“**Sale Proposal**”), or (ii) for an investment in, restructuring, recapitalization, reorganization or refinancing of the Companies or their Business (“**Investment Proposal**”), or a combination thereof.
7. The Stalking Horse Bidder has provided the Stalking Horse Term Sheet, pursuant to which, if there is no Superior Offer or Successful Bid (as defined below) from a party other than the Stalking Horse Bidder, the Stalking Horse Bidder will acquire certain of the Companies' Property or its shares, as detailed in the Stalking Horse Term Sheet, which transaction shall be subject to definitive documents to be entered into by the parties and further approved by the Court.

8. The Purchase Price, as further detailed under the Stalking Horse Term Sheet, is \$13,000,000, comprised of:
 - a. A non-cash credit bid as specified in the Stalking Horse Term Sheet, resulting in:
 - i. a reduction of the Interim Financing Indebtedness in the total aggregate amount of \$2,850,000 as at December 14, 2023, to be adjusted for accrued interest, fees, and expenses as described in the Interim Financing Term Sheet as at closing;
 - ii. a reduction of the Secured Debt in the total aggregate amount of \$2,000,000, to be adjusted for accrued interest, fees, and expenses as at closing;
 - b. The balance of the purchase price to be paid in cash on closing.
9. Notwithstanding the existence of the Stalking Horse Term Sheet, all interested parties are encouraged to submit bids based on any form of Opportunity that they may elect to advance pursuant to this SISP, including as a Sale Proposal or an Investment Proposal.
10. Certain bid protections, such as the Expense Reimbursement, have been approved in respect of the Stalking Horse Term Sheet, subject to the conditions set forth therein, by the Court pursuant to the SISP Approval Order. No other bidder may request or receive any form of bid protection as part of any offer made pursuant to this SISP.
11. The Stalking Horse Bidder shall constitute a Qualified Bidder for the purposes of this SISP.

SISP Procedure

12. The SISP set forth herein describes, among other things, the Property and the Business available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, the manner in which bidders become Qualified Bidders (as defined below) and bids become Superior Offers, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder (as defined below) and the Court's approval thereof. The Companies, in consultation with the Proposal Trustee and the Sales Advisor, shall administer the SISP. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.
13. The Companies will use reasonable efforts to complete the SISP in accordance with the timelines as set out in **Schedule "B"** hereto. The Companies, in consultation with the Proposal Trustee and the Sales Advisor, shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary.

"As Is, Where Is"

14. The sale of the Property and the Business will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or

description by the Companies or any of their agents, except to the extent set forth in the relevant final agreement with a Successful Bidder.

Free of Any and All Claims and Interests

15. In the event of a sale(s), all of the rights, title and interests of the Companies in and to the Property and the Business to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the "**Claims and Interests**"), such Claims and Interests to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), pursuant to an approval and vesting order made by the Court, upon the application of the Companies, except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder. The vesting out of Claims and Interests by a Successful Bidder other than the Stalking Horse Bidder shall not be materially more favourable to the Successful Bidder than those set out in the Stalking Horse Term Sheet, except to the extent additional tangible monetary value of an equivalent amount is provided for the vesting out of such Claims and Interests. The Companies further acknowledge the existence of a right of first refusal contained in an operating agreement governing the equity interests held by Athabasca Minerals Inc. in AMI Silica LLC.

Publication of Notice and Teaser

16. As soon as reasonably practical after the granting of the SISP Approval Order by the Court,
 - a. the Sales Advisor shall cause a notice of the SISP and such other relevant information which the Proposal Trustee, in consultation with the Companies, considers appropriate, to be published in the *BOE Report*, the *Calgary Herald*, and such other publications as the Proposal Trustee and the Sales Advisor may consider appropriate; and
 - b. the Companies shall issue a press release setting out the notice and such other relevant information regarding the Opportunity with Canada Newswire, designating dissemination in Canada and shall invite bids from interested parties.
17. A non-confidential teaser letter prepared by the Sales Advisor, in consultation with the Companies (the "**Teaser**"), describing the Opportunity and the SISP will be made available by the Sales Advisor and the Companies to prospective purchasers and will be posted on the Proposal Trustee's website as soon as practicable following the issuance of the SISP Approval Order.
18. The Companies, with the assistance of the Sales Advisor, will also populate an electronic data room (the "**VDR**") with detailed listings, photographs, technical specifications and other information required for prospective purchasers to perform due diligence on the Property and the Business.

Participation Requirements

19. In order to participate in the SISP, each person interested in bidding on the Property and the Business (a "**Potential Bidder**") must deliver to the Sales Advisor at the email address specified in **Schedule "A"** hereto (the "**Notice Schedule**"), and prior to the distribution of any confidential information by the Companies or Sales Advisor to a Potential Bidder (including access to the VDR), an executed non-disclosure agreement in form and substance satisfactory to the Companies, which shall inure to the benefit of any Successful Bidder that closes a transaction contemplated by the Successful Bid (as defined below).
20. A Potential Bidder that has executed a non-disclosure agreement, as described above and who the Companies, in consultation with the Sales Advisor, determines has a reasonable prospect of completing a transaction contemplated herein, will be deemed a "**Qualified Bidder**" and will be promptly notified of such classification by the Sales Advisor. For the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder.

Due Diligence

21. The Sales Advisor shall provide any person deemed to be a Qualified Bidder with access to the VDR and the Companies shall provide to Qualified Bidders further access to such reasonably required due diligence materials and information relating to the Property and the Business as the Companies, in consultation with the Sales Advisor, deems appropriate, including virtual presentations by the Companies and access to further information in the VDR.
22. The Companies, the Sales Advisor and the Proposal Trustee and their respective advisors, make no representation or warranty as to the information contained in the VDR, or other information to be provided through the due diligence process or otherwise, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Companies and approved by the Court.

Seeking Superior Offers from Qualified Bidders

23. A Qualified Bidder that desires to make a formal offer to purchase or make an investment in the Companies or their Property or Business shall submit a binding offer that complies with all of the following requirements to the Sales Advisor, with copies to the Companies, at the email addresses specified in **Schedule "A"** hereto so as to be received by it not later than 12:00 p.m. (MST) Calgary time on January 31, 2024, or such other date or time as may be agreed by the Companies with the consent of the Proposal Trustee (the "**Bid Deadline**"):
 - a. It is submitted on or before the Bid Deadline;
 - b. It does not contemplate payment of a break fee, expense reimbursement or other form of bid protection;
 - c. It contains an indication of whether the Qualified Bidder is offering to:

- i. Acquire all, substantially all or a portion of the Property through a Sale Proposal; or
 - ii. Make an investment in, restructure, reorganize or refinance the Business or the Companies through an Investment Proposal;
- d. It contains a duly authorized and executed transaction agreement, together with all exhibits and schedules thereto, based on either the template Asset Purchase and Sale Agreement or the template Subscription Agreement (together the “**Template Agreement(s)**”), to be prepared by the Companies and placed in the VDR, together with a blackline of the executed agreement to the applicable Template Agreement, and identifies or contains the following:
 - i. Purchase price and any other key economic terms expressed in Canadian dollars;
 - ii. A description of the Property that is expected to be subject to and/or excluded from the transaction;
 - iii. The underlying assumptions regarding any *pro forma* capital structure, if applicable; and
 - iv. Any other terms or conditions that the Qualified Bidder believes are material to the transaction;
- e. In the event a Qualified Bidder wishes to pursue a different transaction structure than what is contemplated by the Template Agreements, the Companies reserve the right to provide the Qualified Bidder with a further template agreement against which the Qualified Bidder may prepare and submit its bid;
- f. It contains confirmation that the bid is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder, or (ii) obtaining financing;
- g. It contains a specific indication of the financial capability of the Qualified Bidder and the expected structure and financing of the transaction, including written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Companies and the Proposal Trustee to make a determination as to the Qualified Bidder’s financial and other capabilities to consummate the proposed transaction;
- h. The bid includes a letter stating that the Qualified Bidder’s offer is irrevocable until the selection of the Successful Bidder (as defined herein);
- i. The bid fully discloses the identity of each entity that will be entering into the transaction or the investment, or that is participating or benefiting from such bid;
- j. The bid includes a refundable deposit in the form of a wire transfer to a trust account specified by the Proposal Trustee (a “**Deposit**”) in the amount of not less than 10%

of the consideration offered, either by way of a Sale Proposal or an Investment Proposal, to be held and dealt with in accordance with this SISP;

- k. it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body);
 - l. it contains an agreement that the Qualified Bidder submitting such bid, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a Backup Bidder (as defined below), in the event the Successful Bidder fails to close; and
 - m. The bid contemplates closing the transaction set out therein on or before the Outside Date.
24. The Companies, with the consent of the Proposal Trustee, may waive compliance with any one or more of the requirements specified herein.
25. The Sales Advisor, in consultation with the Companies, may, following the receipt of any bid by the Bid Deadline, seek clarification with respect to any of the terms or conditions of such bid and/or request and negotiate one or more amendments to such bid prior to determining if the bid should be considered a Superior Offer.
26. The Sales Advisor shall notify each Qualified Bidder in writing as to whether its bid constitutes a Superior Offer within five Business Days of the Bid Deadline, or at such later time as the Companies, in consultation with the Sales Advisor, deem appropriate.

Stalking Horse Term Sheet

27. Pursuant to the Stalking Horse Term Sheet, there is no requirement for the Stalking Horse Bidder to provide a deposit, provided however that the stalking horse shall be required to provide a binding offer by way of the definitive document contemplated by the Stalking Horse Bidder, by the Bid Deadline in accordance with paragraph 23 hereof.

No Superior Offers

28. If no Superior Offers are received the Companies shall promptly apply to the Court for an order approving the definitive documents of the Stalking Horse Bidder, and any other relief necessary to effect the transactions contemplated therein.

Auction

29. If the Companies determine, in consultation with the Sales Advisor, that one or more, or a combination thereof, of the offers received from Qualified Bidders constitute a Superior Offer, the Companies shall provide the parties making Superior Offers and the Stalking Horse Bidder an invitation to make further bids through the auction process set out below (the "**Auction**").
30. In order to participate in the Auction, the Stalking Horse Bidder and each Qualified Bidder that has received an invitation to the Auction, must inform the Companies and the Proposal

Trustee of its intention to participate in the Auction (each party who so informs the Companies and the Proposal Trustee is hereinafter referred to as an “**Auction Bidder**”) no later than 12:00 p.m. (MST) on February 7, 2024.

31. The Auction shall commence at **10:00 a.m. (MST) on February 9, 2024**. The Auction will be conducted virtually via Microsoft Teams and will be recorded or transcribed. The Auction will be accessed via video link to be provided to all Auction Bidders by the Companies and the Proposal Trustee no later than February 8, 2024. The Auction shall continue thereafter until completed, subject to such non-material adjournments that the Companies, in consultation with the Proposal Trustee, may consider appropriate.
32. The Companies reserve the right to cancel or postpone the Auction, in consultation with the Proposal Trustee.
33. Except as otherwise set forth herein, the Companies may establish additional rules for conducting the Auction, provided that such rules are:
 - a. disclosed to each Auction Bidder;
 - b. designed, in the Companies' business judgment, to result in the highest and otherwise best offer;
 - c. approved by the Proposal Trustee; and
 - d. not contrary to any material term set out herein.
34. Except as otherwise permitted in the Companies' discretion, only the Companies, the Proposal Trustee and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present at the Auction.
35. Each Auction Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction and such spokesperson shall be identified to the Companies and the Proposal Trustee prior to the commencement of the Auction.
36. All bids made during the Auction will be made and received on an open basis. All Auction Bidders will be entitled to be present for all Auction Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction.
37. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding (a “**Round**”), until the Proposal Trustee and the Companies have determined an Auction Bidder to be the Successful Bidder (as defined below).
38. The Proposal Trustee shall set the bid amount in each Round and each Auction Bidder shall advise the Proposal Trustee whether it is participating in that Round by bidding at the amount set by the Proposal Trustee. Auction Bidders who indicate their participation in a given Round shall proceed to the next Round.

39. In each Round, the Auction Bid price will increase by a minimum incremental amount of \$100,000 (the “**Minimum Bid Increment**”), or such further amount as may be determined by the Companies and the Proposal Trustee.
40. To the extent not previously provided in form satisfactory to the Companies and the Proposal Trustee, an Auction Bidder submitting an Auction Bid may be required by the Proposal Trustee, in its sole discretion, to provide written evidence (in the form of financial disclosure or credit quality support information reasonably acceptable to the Proposal Trustee), demonstrating such Auction Bidder’s financial ability to pay the current Auction Bid.
41. The Companies reserve the right, in consultation with the Proposal Trustee, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Companies and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer(s) at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Companies with such additional evidence as the Companies, in their reasonable business judgment, may require in accordance with paragraph 41 hereof.
42. If, in any Round, no new Subsequent Bid is made, the Companies and the Proposal Trustee may reduce the prevailing Auction Bid price in that Round to an amount that is less than the Minimum Bid Increment.
43. The Auction will end when only one Auction Bidder that has bid the Auction Bid price for that Round is remaining and such remaining Auction Bidder is declared the successful bidder (the “**Successful Bidder**”) and its bid being the successful bid (the “**Successful Bid**”).
44. The Auction shall be closed within 5 Business Days of the start of the Auction unless extended by the Companies, in consultation with the Proposal Trustee.
45. No bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
46. After the Auction has concluded, the Companies shall enter into the definitive agreement with the Successful Bidder.
47. Notwithstanding anything in this SISP to the contrary, if an Auction is conducted, the Qualified Bidder with the next highest or otherwise best Superior Offer at the Auction, as determined by the Companies in consultation with the Proposal Trustee, will be designated as the backup bidder (the “**Backup Bidder**”); provided that the Stalking Horse Bidder shall not be a Backup Bidder, unless it elects to provide a Minimum Bid Increment in the Auction. The Backup Bidder shall be required to keep its initial Superior Offer, or if the Backup Bidder submitted one or more Minimum Bid Increments at the Auction, the Backup Bidder’s final Auction Bid (the “**Backup Bid**”), open until the earlier of: i) two Business Days after the date of closing of the Successful Bid(s), and ii) the Outside Date, following which time the Backup Bid shall be deemed rejected.

Approval Motion

48. The Companies shall apply to the Court (the "**Approval Motion**") for the Approval Order. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Companies. The Approval Motion may be adjourned or rescheduled by the Companies without further notice by an announcement of the adjourned date at the Approval Motion or in a notice to the Service List prior to the Approval Motion.
49. Other than a Successful Bid and the Backup Bid, as the case may be, all other bids received shall be deemed rejected on and as of the date and granting of the Approval Order by the Court, but not before, and shall remain open for acceptance until that time.

Deposits

50. All Deposits shall be retained by the Proposal Trustee and deposited in a non-interest bearing trust account. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion, shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits of Qualified Bidders not selected as a Successful Bidder shall be returned to such bidders within five (5) Business Days of the date upon which the Approval Order is granted by the Court.

Approvals

51. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by applicable law in order to implement a Successful Bid.

Confidentiality

52. Other than as shall be required in connection with any Auction or Approval Motion, neither the Companies nor the Sales Advisor or the Proposal Trustee will share: i) the identity of any Potential Bidder or Qualified Bidder (other than the Stalking Horse Bidder), or ii) the terms of any bid, Sale Proposal, or Investment Proposal (other than the Stalking Horse Term Sheet), with any other bidder (including, without limitation, the Stalking Horse Bidder) without the express written consent of such party (including by way of e-mail).

Further Orders

53. At any time during the SISP, the Companies, the Sales Advisor or the Proposal Trustee may apply to the Court for advice and directions with respect to any aspect of this SISP or the discharge of their respective powers and duties hereunder.

Amendments

54. The Companies, in consultation with the Proposal Trustee and the Sales Advisor, shall have the right to modify this SISP and the deadlines set out herein if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.

SCHEDULE "A"

NOTICE

TO THE COMPANIES:

Athabasca Minerals Inc.
Canada Place, Suite 1730
407-2nd Street SW
Calgary, AB T2P 2Y3
Attention: David Churchill / Dana Archibald
Phone: (403) 862-5231 / (780) 668-3366
Email: david.churchill@athabascaminerals.com /
dana.archibald@athabascaminerals.com

TO THE SALES ADVISOR:

Canaccord Genuity Inc.
Centennial Place, East Tower
520 – 3rd Avenue SW, Suite 2400
Calgary, AB T2P0R3
Attention: Andrew Birkby
Phone: (403) 508-3831

Email: abirkby@cgf.com

TO THE PROPOSAL TRUSTEE:

KSV Restructuring Inc.
1165, 324-8 Avenue SW
Calgary, AB T2P 2Z2
Attention: Andrew Basi
Phone: (403) 819-0111
Email: abasi@ksvadvisory.com

SCHEDULE "B"

TIME LINE

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	JANUARY 31, 2024
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)	February 7, 2024
AUCTION (If Required)	FEBRUARY 9, 2023
Approval Motion of Successful Bid	As soon as practical following the Auction

SCHEDULE "C"
STALKING HORSE TERM SHEET

LETTER OF INTENT

December 5, 2023

Athabasca Minerals Inc.
Suite 1730, 407 – 2nd Street S.W.
Calgary, Alberta T2P 2Y3

Attention: David Churchill

This letter of intent (the "**LOI**") sets out the proposed terms of a transaction (the "**Transaction**"), pursuant to which JMAC Energy Services LLC or a related party (together, "**JMAC**") would acquire the assets ("**Assets**") of Athabasca Minerals Inc. ("**Athabasca**" and together with JMAC, the "**Parties**"), subject to proposal proceedings in the Court of King's Bench of Alberta (the "**Court**") under the *Bankruptcy and Insolvency Act* (Canada) and the Sales and Investment Solicitation Process ("**SISP**") referred to therein.

1. Proposed Transaction – Completion of the SISP

1.1 Subject to approval of the Court and further conditions as set out herein, as consideration for the acquisition of the Assets, JMAC proposes to pay, upon closing of the Transaction ("**Closing**"):

- (a) \$11,000,000 for Athabasca's membership interest (the "**AMI LLC Interest**") in AMI Silica LLC (the "**LLC**"); and
- (b) \$2,000,000 for all of the other assets of Athabasca (the "**Remaining Athabasca Assets**"),

to be paid by the application of all secured debt owed by Athabasca to JMAC, including debtor-in-possession financing and all interest, costs and fees, with the remainder paid in cash at Closing.

1.2 The SISP shall include the following provisions:

- (a) the Transaction shall be presented as a "stalking horse" bid which shall *prima facie* be accepted subject to being superseded by superior bid(s) in the SISP procedures (the "**Bidding Process**");
- (b) materials provided to potential purchasers with the SISP shall recognize and include the right of first refusal ("**ROFR**") currently held by JMAC pursuant to the AMI Silica LLC Operating Agreement; and
- (c) all offers shall be made through the SISP process.

2. Definitive Agreement

2.1 Following approval of the SISP by the Court, JMAC will prepare and promptly submit to Athabasca a definitive agreement (the "**Definitive Agreement**") with respect to the Transaction incorporating the principal terms of the Transaction set forth herein and, in

addition, such other terms and provisions of a more detailed nature as the Parties may agree upon and as are customary for transactions of this nature. During the period commencing upon the execution of this LOI and expiring on February 28, 2023 or such other date as the Parties may agree (the "**Negotiation Period**"), the Parties will diligently negotiate in good faith with a view to completing and executing the Definitive Agreement providing for the Transaction.

- 2.2 In connection with the negotiation of the Definitive Agreement, the Parties agree to work in good faith to determine a transaction structure acceptable to them taking into account tax, securities, corporate, and other considerations, and otherwise consistent with the terms described herein, such that JMAC will have 100% ownership, directly or indirectly, of the business and Assets following completion of the Transaction.
- 2.3 In the Definitive Agreement and subject to the SISP, each of the Parties will make such representations and warranties as are typical in transactions of this nature
- 2.4 The Parties hereby agree that, should the Transaction fail to close, Athabasca will pay JMAC, either by being superseded by a superior bid in the SISP or otherwise, an expense reimbursement in the amount of \$200,000, ranking in priority to all debts of Athabasca.

3. **Due Diligence**

Subject to the SISP, JMAC will have the right to conduct a full due diligence investigation, as more particularly set forth in Section 6 hereof.

4. **Covenants - Athabasca**

During the term of this LOI, Athabasca will ensure that, other than with the prior written consent of JMAC, it:

- (a) conducts its business in the ordinary course in a manner consistent with past practice, including without limitation no extraordinary or unbudgeted expenses;
- (b) maintains its properties and other assets in good working condition (normal wear and tear excepted);
- (c) uses its best efforts to maintain its business, customers, assets and operations as a going concern in accordance with past practice;
- (d) uses commercially reasonable efforts to maintain its employees;
- (e) does not enter into any transaction other than in the ordinary course of its business and consistent with past practice on terms which are arm's length;
- (f) does not incur any further third-party or shareholder debt other than short-term operating liability incurred in the ordinary course of its business and consistent with past practice; and

- (g) gives JMAC prompt written notice of any material change in or affecting the business, affairs, operations, assets, liabilities, or capital of Athabasca.

5. Conditions to Closing

In addition to the matters described elsewhere in this LOI, the completion of the Transaction will be subject to receipt by the Parties of all necessary consents, approvals, and other authorizations of the Court, any regulatory authorities or third parties being obtained, to the sole satisfaction of JMAC (in addition to such other conditions that are usual and customary in such circumstances).

6. Access to Information

Immediately upon the Parties' execution of this LOI, JMAC and its lawyers, accountants, and financial advisors will have full access during normal business hours to all due diligence information provided in the virtual data room established with respect to the anticipated SISP, and additionally JMAC shall have access to the Sales Advisor conducting the SISP and shall be permitted to provide questions to parties through the Sales Advisor with respect to Athabasca's assets, properties, books, accounts, records, tax returns, contacts, and other documents of Athabasca that are pertinent to the subject matter of the Transaction, provided however that such information that is not already in the virtual data room shall be placed there for all bidders to review. All information provided by Athabasca to JMAC either directly or through the Sales Advisor will be on and subject to the terms of a confidentiality and non-disclosure agreement associated with the SISP.

7. Use and Confidentiality

The terms of any draft of the Definitive Agreement between the Parties shall be kept confidential and constitute "Confidential Information" as defined in the Confidentiality Agreement between the parties, unless it is required to be approved by the Court, in which case Athabasca shall use reasonable efforts to obtain a sealing order in respect of the Definitive Agreement. JMAC recognizes that the Court may refuse to grant the sealing order and direct that the definitive document be placed on the record.

8. Closing

Closing will occur as soon as reasonably possible after the satisfaction of all conditions precedent specified herein and in the Definitive Agreement, subject to all applicable laws and receiving all requisite consents and approvals.

9. Exclusivity Provision

Commencing immediately upon execution of this LOI and until the expiry of the SISP effective period, all sales activities for Athabasca's assets shall occur solely within the SISP.

10. Costs and Expenses

Each Party will bear its own expenses in connection with the Transaction and all associated transactions, including, without limitation, the costs and expenses of all legal counsel, engineers, brokers, investment bankers, agents, and finders employed by such Party. The Parties will

indemnify each other against any claims, costs, losses, expenses, or liabilities arising from any claim for commissions, finder's fees, or other compensation in connection with the Transaction, which may be asserted by any person, based on any agreement or arrangement for payment by the other Party.

11. Interpretation

The headings in this LOI are for reference only and shall not affect the interpretation of this LOI. All dollar amounts referred to herein are expressed in Canadian dollars, unless otherwise indicated. This LOI may be amended or modified only by a written instrument executed by authorized representatives of each of the Parties hereto. Whenever the singular is used in this LOI the same shall be construed as meaning the plural if the facts so require.

12. Time

Time will be of the essence.

13. Choice of Law

This LOI will be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the Parties attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta in respect of all disputes arising hereunder.

14. Execution in Counterpart

The Parties may execute this LOI in two or more counterparts and the counterparts may be executed and delivered by electronic means, with all counterparts together constituting one agreement, effective as of the date given above.

15. Severability

If any provision of this LOI is void, voidable or unenforceable, then it will be renegotiated by the Parties in a manner generally consistent with the intent of this LOI and, if renegotiating is not possible, it will be read down in a manner consistent with the intent of this LOI. Any illegal or invalid provision of this LOI will be severable and all other provisions will remain in full force and effect.

16. Termination

This LOI will terminate on the earlier of:

- (a) the expiry of the SISP period;
- (b) the entering into of the Definitive Agreement; or
- (c) such other date as may be mutually agreed to between the Parties.

Except as otherwise expressly stated in Section 17 hereof, upon such termination, the provisions of this LOI will be of no further force or effect and no Party will have any liability or obligation to,

nor any rights against, the other Party hereunder, except for breaches of this LOI that occurred prior to termination.

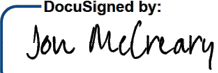
17. Survivability

Subject to the provisions of Sections 1.2, 2.4, 3, 4, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, and 17 hereof (the "**Binding Provisions**"), which are deemed to be binding upon the Parties, this LOI is intended to be a non-binding letter of intent regarding the Transaction. The Parties will attempt to negotiate a Definitive Agreement generally consistent with the terms of this LOI but intend that no legal rights or obligations between them (other than the Binding Provisions) will come into existence until the Definitive Agreement is signed. Thereafter, when the Definitive Agreement is signed and delivered by all of the parties thereto, their respective legal rights and obligations will then be only those set forth in the Definitive Agreement. The Binding Provisions will survive the termination of this LOI and the termination of discussions and/or negotiations for any reason other than the consummation of the Transaction pursuant to the Definitive Agreement.

If the foregoing accurately sets forth your understanding, please date, sign and return the enclosed copy of this LOI to the attention of the undersigned.

Respectfully,

JMAC ENERGY SERVICES LLC

Per: 
E4E71718AA6742D...
Jon McCreary
Chief Executive Officer

AGREED AND ACCEPTED this ____ day of _____, 2023.

ATHABASCA MINERALS INC.

Per: _____

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
 December 04, 2023 to March 03, 2024

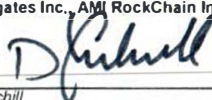
For the week ending, In CAD	Notes	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Week 1 10-Dec-23	Week 2 17-Dec-23	Week 3 24-Dec-23	Week 4 31-Dec-23	Week 5 7-Jan-24	Week 6 14-Jan-24	Week 7 21-Jan-24	Week 8 28-Jan-24	Week 9 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															
<u>Operating Expenses</u>															
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
		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
<u>Other Disbursements</u>															
AMI Silica LLC - funding	2	-	1,770,000	-	1,080,000	-	-	-	-	-	-	-	-	-	2,850,000
Total other disbursements	7	-	-	-	-	184,000	2,000	-	-	-	-	316,000	-	-	502,000
Anticipated capital expenditures	8	-	20,000	-	10,000	-	-	-	20,000	-	-	2,500	-	-	52,500
		-	1,790,000	-	1,090,000	184,000	2,000	-	20,000	-	-	318,500	-	-	3,404,500
<u>Debt Repayment</u>															
Interest & principal		-	-	-	-	-	-	-	-	-	-	-	-	-	-
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

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.

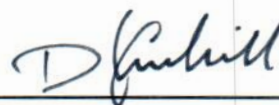
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions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

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 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

Appendix “C”

Comparison of Second Cash Flow Statement to Actual

Second Reporting Period	Actual	Second Cash Flow Statement	Favourable / (Unfavourable) Variance	Notes
Opening Cash	\$ 1,176,782	\$ 1,175,887	\$ 895	
Receipts				
Collection of Outstanding Receivables	33,684	102,167	(68,483)	1
Total Receipts	33,684	102,167	(68,483)	
Operating Disbursements				
Wages, Salaries, and Benefits	194,848	253,780	58,932	2
Utilities	2,026	1,900	(126)	
Other Operating Expenses	51,695	142,181	90,486	3
Rent	14,953	14,860	(93)	
Total Operating Disbursements	263,522	412,721	149,199	
Net Cashflow From Operations	(229,838)	(310,554)	80,716	
Non-Operating Disbursements				
AMI Silica LLC - Funding	2,671,328	2,850,000	178,672	4
Other Disbursements	12,649	186,000	173,351	5
Anticipated Capital Expenditure	-	30,000	30,000	6
Interest and Principal	5,948	-	(5,948)	7
Legal Counsel Fees	50,148	100,000	49,852	8
Trustee Fees	49,272	100,000	50,728	9
Trustee's Legal Counsel Fees	30,289	35,000	4,711	10
Total Non-Operating Disbursements	2,819,634	3,301,000	481,366	
Total Disbursements	3,083,156	3,713,721	630,565	
Net Cash Flow	(3,049,471)	(3,611,554)	562,083	
Interim Financing				
Interim Financing Advances	2,865,188	2,825,000	40,188	
Ending Cash Balance	\$ 992,499	\$ 389,333	\$ 603,166	

Notes:

- Unfavourable variance as a result of a delay in collection of a cash deposit related to a letter of credit. The Companies expect this amount to be collected in the upcoming weeks.
- Favourable variance due to timing difference due to CRA source deduction payments that will be paid in the following week.
- Favourable variance due to lower than forecasted contractor requirements.
- Favourable variance due to exchange rates that were more favourable than forecasted.
- Favourable variance as a result of crown royalties that were forecasted to be paid however, the Alberta government applied the royal amounts owing against a deposit that was previously paid.
- Favourable variance related to Montney project expenses deferred until February 2024.
- Unfavourable variance as a result of a unforecasted letter of credit fees charged.
- Favourable variance as a result of timing differences due to timing of invoices received.
- Favourable variance as a result of timing differences due to timing of invoices received.
- Favourable variance as lower costs than forecasted.

Appendix “D”

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,
 AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.
 Cash Flow Forecast
 January 08, 2024 to April 07, 2024

For the week ending, in CAD	Notes	Forecast Week 1 14-Jan-24	Forecast Week 2 21-Jan-24	Forecast Week 3 28-Jan-24	Forecast Week 4 04-Feb-24	Forecast Week 5 11-Feb-24	Forecast Week 6 18-Feb-24	Forecast Week 7 25-Feb-24	Forecast Week 8 03-Mar-24	Forecast Week 9 10-Mar-24	Forecast Week 10 17-Mar-24	Forecast Week 11 24-Mar-24	Forecast Week 12 31-Mar-24	Forecast Week 13 07-Apr-24	Total
Opening cash balance	1	1,024,520	992,500	814,400	736,400	1,173,531	1,023,331	927,331	934,331	590,762	418,462	365,462	353,462	255,462	1,024,520
Cash Receipts															
Cash Collections	2	-	-	-	580,978	25,000	32,000	25,000	139,460	60,000	-	-	-	4,460	866,898
		-	-	-	580,978	25,000	32,000	25,000	139,460	60,000	-	-	-	4,460	866,898
Cash Disbursements															
Operating Expenses															
Wages, salaries, and benefits	3	31,865	19,200	-	62,000	-	53,000	-	53,000	-	53,000	-	53,000	-	325,065
Utilities	4	156	-	2,000	-	200	-	2,000	-	200	-	2,000	-	-	6,556
Other operating expenses	5	-	33,000	26,000	31,987	20,000	40,000	16,000	50,169	27,100	-	10,000	-	17,100	271,356
Rent	6	-	-	-	14,860	-	-	-	14,860	-	-	-	-	14,860	44,580
		32,021	52,200	28,000	108,847	20,200	93,000	18,000	118,029	27,300	53,000	12,000	53,000	31,960	647,557
Other Disbursements															
AMI Silica LLC - funding	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other disbursements	7	-	-	-	-	-	-	-	315,000	50,000	-	-	-	-	365,000
Anticipated capital expenditures	8	-	-	-	35,000	-	35,000	-	-	-	-	-	-	-	70,000
		-	-	-	35,000	-	35,000	-	315,000	50,000	-	-	-	-	435,000
Debt Repayment															
Interest & principal		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements		32,021	52,200	28,000	143,847	20,200	128,000	18,000	433,029	77,300	53,000	12,000	53,000	31,960	1,082,557
Professional Costs	9														
Company counsel legal fees		-	50,200	50,000	-	75,000	-	-	50,000	75,000	-	-	45,000	-	345,200
Trustee fees		-	65,700	-	-	50,000	-	-	-	50,000	-	-	-	-	165,700
Trustee's counsel fees		-	10,000	-	-	30,000	-	-	-	30,000	-	-	-	-	70,000
Total Professional Costs		-	125,900	50,000	-	155,000	-	-	50,000	155,000	-	-	45,000	-	580,900
Net cash flow		(32,021)	(178,100)	(78,000)	437,131	(150,200)	(96,000)	7,000	(343,569)	(172,300)	(53,000)	(12,000)	(98,000)	(27,500)	(796,559)
Interim financing															
Interim financing advances / (repayments)	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash (operating line) balance		992,500	814,400	736,400	1,173,531	1,023,331	927,331	934,331	590,762	418,462	365,462	353,462	255,462	227,962	227,962

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 15th day of January 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
January 08, 2024 to April 07, 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 with approximately \$450,000 forecasted to be received in week 4. AMI Silicia LLC is currently experiencing a working capital shortfall that has been funded with a cash call 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. There are payments to the sole AMI independent Director for the payroll for January 31, 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 D&O run-off insurance. A Prosvita Land option payment is forecasted to be paid in March which is required to retain the asset. There are outstanding royalty payments of \$120,000 for the Prosvita project that are required to retain ownership of the asset and these will be deferred until the closing of a transaction.

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. This was advanced in December 2023. This cash flow assumes no further DIP financing is required and that the current factoring arrangements between JMAC and AMIS LLC will continue in the normal course.

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 15th day of January 2024, consisting of a signed pdf copy of a weekly cash flow statement for the period ending April 7, 2024.

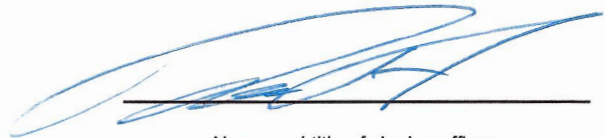
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions 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 18th day of January 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

DANA ARCHIBALD, CEO



Name and title of signing officer

DAVID CHURCHILL, CEO

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 April 7, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending April 7, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending April 7, 2024

Dated at the City of Calgary in the Province of Alberta, this 18th day of January 2024.

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 15th day of January, 2024, consisting of a signed pdf copy of a weekly cash flow statement for the period ending April 7, 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 15th day of January 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 April 7, 2024

Projection Notes:

a signed pdf copy of a weekly cash flow statement for the period ending April 7, 2024

Assumptions:

a signed pdf copy of a weekly cash flow statement for the period ending April 7, 2024

Dated at the City of Calgary in the Province of Alberta, this 15th day of December 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