

SUBSCRIPTION AGREEMENT

BETWEEN:

ATHABASCA MINERALS INC.

- and -

BADGER MINING CORPORATION OR ITS AFFILIATE

Dated:

February 9, 2024

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT made as of February 9, 2024.

BETWEEN:

ATHABASCA MINERALS INC. (the “Company”)

- and -

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

WHEREAS:

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

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

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

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Subscription Agreement, unless the context otherwise requires:

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

includes the provisions and conditions of any Permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;

- (d) **“Articles of Reorganization”** means the articles of reorganization of the Company in respect of the Reorganization required under Section 192(4) of the ABCA to be sent to the Registrar after the Reverse Vesting Order has been granted, giving effect to the Reorganization;
- (e) **“ASC Revocation Order”** means an Order or Orders of the Alberta Securities Commission, on its own behalf and to the extent necessary, on behalf of the Ontario Securities Commission and any other applicable securities regulator, authorizing the Company to cease to be a reporting issuer, effective on Closing;
- (f) **“Badger Credit”** means the amount of \$50,000 to be credited towards the Purchase Price as provided for in paragraph 15 of the SISP Order;
- (g) **“BIA”** means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time;
- (h) **“Bid Value Differential”** means such amount, not to exceed \$ [REDACTED], to be paid at Closing by the Purchaser to the Proposal Trustee on behalf of the Company, to satisfy any Terminated Employee Claims, if any, which shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the Closing Sequence, shall be discharged as against the Company and transferred to the ResidualCo;
- (i) **“Buildings and Fixtures”** means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the land or lands owned or controlled by the Companies or any of them;
- (j) **“Business”** means the business and operations carried on by the Companies as at the date of this Subscription Agreement;
- (k) **“Business Day”** means a day other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta or the State of Wisconsin;
- (l) **“Canadian Securities Laws”** means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;
- (m) **“Certificate of Reorganization”** means the certificate of reorganization to be issued by the Registrar for the Reorganization pursuant to Section 192(5) of the ABCA in respect of Articles of Reorganization;

- (n) **“Claim”** means any claim, action, cause of action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (o) **“Closing”** means the completion of the Transactions pursuant to this Subscription Agreement;
- (p) **“Closing Date”** the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 4 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (q) **“Closing Place”** means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (r) **“Closing Sequence”** has the meaning ascribed thereto in Section 3.3;
- (s) **“Common Shares”** means common shares in the capital of the Company;
- (t) **“Companies”** has the meaning ascribed thereto in the Recitals;
- (u) **“Company Shareholders”** means the registered holders of issued and outstanding Common Shares as of close of business on the day prior to the Closing Date;
- (v) **“Confidential Materials”** has the meaning ascribed thereto in Section 8.13;
- (w) **“Confidentiality Agreement”** means the non-disclosure and confidentiality agreement between the Companies and Badger Mining Corporation, dated December 19, 2023;
- (x) **“Court”** has the meaning ascribed thereto in the Recitals;
- (y) **“Cure Costs”** means amounts described in Schedule “C” hereto in respect of monetary defaults owing in connection with the Retained Contracts;
- (z) **“Deposit”** has the meaning ascribed thereto in Section 2.4;
- (aa) **“Disclaimer Liability”** has the meaning ascribed thereto in Section 6.14;
- (bb) **“Effective Time”** means 12:01 a.m. on the Closing Date;
- (cc) **“Employees”** has the meaning ascribed thereto in Section 6.7;
- (dd) **“Encumbrances”** means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), reservations of ownership, royalties, options,

rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, Taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SISP Order, the Reverse Vesting Order or any other Order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of Alberta, British Columbia or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system;

- (ee) **“Escrow Amount”** has the meaning ascribed thereto in Section 6.14;
- (ff) **“Estimated Employee Claims Amount”** has the meaning ascribed thereto in Section 6.7(e);
- (gg) **“Equity Interests”** includes, in respect of the Company, (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; and (iii) any warrants, options, convertible, exchangeable or exercisable securities (whether convertible, non-convertible, voting or nonvoting, whether preferred, common or otherwise), subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing;
- (hh) **“Excluded Contracts”** means those contracts, agreements, and commitments described in Schedule “B” hereto which shall be disclaimed or terminated by any one of the Companies prior to Closing;
- (ii) **“Governmental Authority”** means any federal, national, provincial, territorial, state, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (jj) **“GST”** means the goods and services tax payable pursuant to the GST Legislation;
- (kk) **“GST Legislation”** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (ll) **“Interim Period”** means the period from the date that this Subscription Agreement is entered into by the Parties through to Closing;

- (mm) **“JMAC”** means JMAC Energy Services LLC, a limited liability company subsisting under the laws of the State of Delaware;
- (nn) **“Losses”** means all losses, costs, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (oo) **“Material Adverse Effect”** means any fact or state of facts, circumstance, change, effect, occurrence or event which:
 - (i) either individually is or in the aggregate are, or individually or in the aggregate could reasonably be expected to be, material and adverse to the Business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), capitalization or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole; or
 - (ii) either individually or in the aggregate prevents, or individually or in the aggregate could reasonably be expected to prevent, the completion of the Transactions or the Company from performing its obligations under this Subscription Agreement in any material respect by the Outside Date; provided, however, that the bringing or filing of a motion, action, objection or other litigation by JMAC seeking to prohibit the closing of the Transactions shall not in and of itself constitute a Material Adverse Effect;
- (pp) **“Order”** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;
- (qq) **“Outside Date”** means March 30, 2024, or such other date as may be agreed upon between the Parties in writing;
- (rr) **“Parties”** means, collectively, all of the parties to this Subscription Agreement; and **“Party”** means a party to this Subscription Agreement;
- (ss) **“Permits”** means all authorizations, permits, decisions, determinations, judgments, directions, entitlements, licenses, orders, consents, approvals, notices, correspondence, directives, exemptions, registrations, rulings, advance rulings and certifications whether now existing or hereafter issued or obtained or required to be issued or obtained and which are or may be given or issued by any Governmental Authority;
- (tt) **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (uu) **“Proposal Proceedings”** has the meaning ascribed thereto in the Recitals;

- (vv) **“Proposal Trustee”** has the meaning ascribed thereto in the Recitals;
- (ww) **“Proposal Trustee’s Certificate”** means the certificate, substantially in the form attached as Schedule “A” to the Reverse Vesting Order, to be delivered by the Proposal Trustee in accordance with Section 4.5, and thereafter filed by the Proposal Trustee with the Court;
- (xx) **“Purchase Price”** has the meaning set out in Section 2.2;
- (yy) **“Purchase Price Balance”** has the meaning set out in Section 2.2;
- (zz) **“Purchased Shares”** means 1,000 Common Shares subscribed for by the Purchaser in accordance with the Reverse Vesting Order and this Subscription Agreement, representing all of the issued and outstanding Common Shares of the Company at the time of issuance;
- (aaa) **“Real Property”** means collectively all land or lands owned by or controlled by the Companies or any of them and all other Buildings and Fixtures;
- (bbb) **“Recitals”** means the preamble and the recitals to this Subscription Agreement;
- (ccc) **“Registrar”** means the Registrar of Corporations or a Deputy Registrar of Corporations appointed pursuant to Section 263 of the ABCA;
- (ddd) **“Reorganization”** has the meaning ascribed thereto in the Recitals;
- (eee) **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (fff) **“ResidualCo”** means a corporation to be formed in advance of Closing, for the purposes of (i) accepting the transfer of all Transferred Assets and Transferred Liabilities, as part of the Closing Sequence as further set out in Section 3.3 of this Subscription Agreement, and (ii) being added as an applicant in the Proposal Proceedings upon the completion of the Transactions contemplated herein;
- (ggg) **“ResidualCo Notes”** means one or more non-interest bearing promissory notes issued by the Company and/or Subsidiaries in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement with an aggregate principal amount equal to the Transferred Liabilities less the value of the Transferred Assets;
- (hhh) **“ResidualCo Shares”** means the common shares of ResidualCo;

- (iii) **“Retained Assets”** means those assets described in Schedule “B” hereto and includes, where the context requires, the Retained Contracts, which shall be retained by the Company;
- (jjj) **“Retained Contracts”** means those contracts, agreements and commitments described in Schedule “B” hereto which shall be retained by the Company;
- (kkk) **“Retained Employees”** has the meaning ascribed thereto in Section 6.7;
- (lll) **“Retained Liabilities”** means those liabilities described in Schedule “B” hereto which shall be retained by the Company;
- (mmm) **“Reverse Vesting Order”** means an Order of the Court, in substantially the form attached hereto as Schedule “A”, or in such other form as may be agreed to by the Parties in writing that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby (including the cancellation of all of the issued and outstanding Equity Interests, other than the Purchased Shares); (b) authorizes and directs the Company to file the Articles of Reorganization with the Registrar; and (c) upon the delivery of a copy of the Proposal Trustee’s Certificate to the Purchaser, among other things: (i) transfers all of the Companies’ right, title and interest in and to the Transferred Assets to ResidualCo; (ii) transfers all Transferred Liabilities to ResidualCo; (iii) releases and discharges the Companies from all of the Transferred Liabilities; and (iv) releases the Companies from the purview of the Proposal Proceedings and adds ResidualCo as an entity in the Proposal Proceedings;
- (nnn) **“Securities Laws”** means collectively, the Canadian Securities Laws and U.S. Securities Laws;
- (ooo) **“SISP Order”** has the meaning ascribed thereto in the Recitals;
- (ppp) **“Subscription Agreement”** means this subscription agreement between the Company and the Purchaser, including all Recitals and schedules attached hereto, and **“this Agreement”**, **“this Subscription Agreement”** **“herein”**, **“hereto”**, **“hereof”** and similar expressions mean and refer to this subscription agreement;
- (qqq) **“Subsidiaries”** means any subsidiary of the Company that has issued a ResidualCo Note in consideration for the assumption of the Transferred Liabilities by ResidualCo pursuant to Section 3.3 of this Subscription Agreement;
- (rrr) **“Target Closing Date”** means March 8, 2024, or such other date as may be agreed upon between the Parties in writing;
- (sss) **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, whether disputed or not, and any liability for the payment of any such amounts as a result

of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, amounts or refunds owing in respect of any form of COVID-19 economic support, health insurance and governmental pension plan premiums or contributions;

- (ttt) **“Tax Refunds”** means all refunds in respect of Taxes to which the Companies are entitled in respect of the period prior to Closing;
- (uuu) **“Tax Returns”** means all reports, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with any Taxes, including any amendment thereof, and whether in tangible or electronic form;
- (vvv) **“Terminated Employee Claims”** has the meaning ascribed thereto in Section 6.7;
- (www) **“Terminated Employees”** has the meaning ascribed thereto in Section 6.7(d);
- (xxx) **“Third Party”** means any individual or entity other than the Companies and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (yyy) **“Transactions”** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement or the Reverse Vesting Order;
- (zzz) **“Transfer Agent”** means TSX Trust Company;
- (aaaa) **“Transferred Assets”** means those assets, if any, described in Schedule “B” hereto which shall be transferred the Company, or the Companies, as applicable, to ResidualCo;
- (bbbb) **“Transferred Liabilities”** means those liabilities described in Schedule “B” hereto which shall be transferred by the Company, or Companies, as applicable, to ResidualCo; and
- (cccc) **“U.S. Securities Laws”** means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder.

1.2 Headings

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

1.3 Interpretation Not Affected by Headings

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

1.4 Plurals and Gender

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

1.5 Schedules

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

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

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

1.6 Derivatives

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

1.7 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a schedule, the provision of the body of this Subscription Agreement shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law or the Reverse Vesting Order, the term or condition of such

Applicable Law or the Reverse Vesting Order, as applicable, shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.8 Currency

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

ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

2.1 Subscription for Purchased Shares

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

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is: (i) \$29,200,000, (ii) the amount of the Expense Reimbursement (as defined in Appendix A to the SISP Order), (iii) any amounts payable pursuant to Section 6.7, (iv) any amounts payable pursuant to Section 6.14 (together with Sections 2.2(i), 2.2(ii), 2.2(iii) and 2.2(iv) hereof, the “**Purchase Price**”), and (v) the value of the Retained Liabilities. The Purchase Price shall be satisfied by: (i) the retention of the Deposit by the Company, (ii) application of the Badger Credit, and (iii) payment in cash by the Purchaser to the Company of an amount equal to the balance of the Purchase Price after the application of Sections 2.2(i), 2.2(ii), 2.2(iii) and 2.2(iv) hereof (the “**Purchase Price Balance**”).

2.3 Form of Payment

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

2.4 Deposit

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

- (a) Closing occurs, the Deposit shall be paid to the Company at Closing as partial payment of the Purchase Price;
- (b) Closing does not occur by the Outside Date:

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

2.5 Damages

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

ARTICLE 3 CLOSING

3.1 Date, Time and Place of Closing

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

3.2 Effectiveness of Reverse Vesting Order

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

3.3 Closing

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

- (a) The Purchaser shall deliver the Purchase Price (for the subscription and purchase of the Purchased Shares by the Company) to the Proposal Trustee, on behalf of and for the benefit of the Company, as follows: (1) the delivery of the written direction as contemplated in Section 3.4(b)(i); and (2) the payment of the Purchase Price Balance to be paid in cash by wire transfer;
- (b) The Purchaser shall deliver the Escrow Amount, if applicable, pursuant to Section 6.14, to the Proposal Trustee;

- (c) The Terminated Employees shall be terminated by the Company or Companies, as applicable;
- (d) All legal and beneficial right, title and interest of the Companies in and to the Transferred Assets (which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Encumbrances attached to the Transferred Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;
- (e) Concurrently with Step 3.3(d) above, all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;
- (f) Concurrently with Step 3.3(e) above, the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
- (g) Each issued and outstanding Common Share held by a Company Shareholder immediately prior to the Closing Date shall be exchanged without any further act or formality thereof for consideration in the form of one ResidualCo Share for each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;
- (h) Each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order;
- (i) The Company shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with Section 2.1, free and clear of and from any and all Claims, Losses and Encumbrances;
- (j) The Retained Assets will be retained by the Company in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry

system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;

- (k) The Company shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by the Company to the Subsidiaries) using the Purchase Price. If the aggregate principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and the Company and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price then any remaining Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);
- (l) All directors of the Company immediately prior to the Closing Date shall be deemed to resign and Camille LeRouge, Michael C. Hess, Robert L. Brooks, and Cody Wickersheim shall be deemed to be appointed as directors of the Company;
- (m) The Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the SISP Order and all other orders of the Court granted in relation to the Proposal Proceedings;
- (n) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;
- (o) Pursuant to the Reverse Vesting Order or further Order of the Court, the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and
- (p) The Company shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which the Company is a reporting issuer.

3.4 Closing Deliveries

- (a) On the Closing Date, the Company shall deliver or cause to be delivered to the Purchaser:
 - (i) a true copy of the Reverse Vesting Order, as granted by the Court;

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

ARTICLE 4 CONDITIONS OF CLOSING

4.1 Mutual Conditions

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

- (a) the Reverse Vesting Order shall have been granted and entered by the Court and shall not have been vacated, set aside, or stayed, and all conditions to the effectiveness of the Reverse Vesting Order shall have been satisfied or waived in accordance with the terms thereof, or will be satisfied and waived in accordance with the Closing;
- (b) on or before Closing, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Subscription Agreement; or (iii) the effect of varying, modifying or amending the Reverse Vesting Order without the consent of the Purchaser;
- (c) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing;
- (d) ResidualCo shall be incorporated; and
- (e) the Court shall not have granted or entered an order which confirms, orders, or otherwise states that JMAC is entitled to exercise its contractual right of first refusal in respect of the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of the State of North Dakota.

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

4.2 Purchaser's Conditions

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

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

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

4.3 Company's Conditions

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

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

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

4.4 Efforts to Fulfil Conditions Precedent

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

4.5 Proposal Trustee's Certificate

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

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Company

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

- (a) Authorization, Validity and Binding Effect. Subject to obtaining the Reverse Vesting Order, the Company has the right to enter into this Subscription Agreement and to complete the Transactions and this Subscription Agreement has been duly executed and the Company and constitutes a legal, valid and binding obligation of Company enforceable against it in accordance with its terms;
- (b) Tax Matters.

- (i) The Company has made available to Purchaser for review originals or true and complete copies of: (A) material portions of income tax audit reports, statements of deficiencies, closing or other agreements or correspondence concerning assessments, reassessments or audits pursuant to which a Governmental Authority has proposed amendments to previously filed Tax Returns received by or on behalf of the Companies relating to Taxes; (B) any material federal, provincial, state, local or foreign income or franchise Tax Returns for the Companies for the Tax years ending 2021 and 2022; and (C) all material written communications to or from any Governmental Authority relating to the Taxes of the Companies over such period have been made available to Purchaser; and
- (ii) The Company has or will furnish Purchaser with originals or copies of all elections, designations or similar filings relating to Taxes of the Companies and any agreement or other arrangement in respect of Taxes or Tax Returns of the Companies that have effect for any period ending after the Closing Date;
- (c) Permits. Company has provided to Purchaser copies of all Permits relating to the assets, Business or operations of Companies. The Company has not been advised of any event occurring or circumstance existing which (with notice or lapse of time or both) may constitute or result in a violation of any such Permit except where such violation would not have a Material Adverse Effect. To the knowledge of the Company, no proceedings are pending or threatened, which could result in the revocation or limitation of any such Permit, and all steps have been taken and filings made on a timely basis with respect to each such Permit and its renewal, except where the failure to take such steps and make such filings would not have a Material Adverse Effect;
- (d) Books and Records. The Company has provided to Purchaser copies in their entirety of the financial books, records and accounts of Company; and
- (e) Employee Payroll Obligations. All Employee payroll and other statutory remittance obligations, including any amounts owing under the *Income Tax Act* (Canada), the *Canada Pension Plan* (Canada), and the *Employment Insurance Act* (Canada), are current.

5.2 Representations and Warranties of the Purchaser

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

- (a) Organization. The Purchaser is a corporation registered and existing under the Applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on the Business as it is now being conducted;

- (b) Qualification. The Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;
- (c) Authorization. The execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) No Conflict. The execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) Validity and Binding Effect. This Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms subject only to (i) obtaining the ASC Revocation Order and (ii) the granting of the Reverse Vesting Order;
- (f) Legal Effect. Other than (i) obtaining the ASC Revocation Order, and (ii) the granting of the Reverse Vesting Order, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement;
- (g) Funds Available. The Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;
- (h) Securities Law Matters.
 - (i) The Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;
 - (ii) The Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Company;

- (iii) The Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;
- (iv) The Purchaser represents that it is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, and/or that it meets one of the other exemptions under Canadian Securities Laws;
- (v) The Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian Securities Laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser’s ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian Securities Laws; and
- (vi) The Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial condition, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment;
- (i) Compliance. The Purchaser is in compliance with all the requirements of all Governmental Authorities; and
- (j) Investment Canada Act. The Purchaser is a WTO Investor or a Trade Agreement Investor for the purposes of the Investment Canada Act RSC, 1985, c. 28 (1st Supp).

5.3 Limitation of Representations

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

- (a) except for the representations and warranties of the Company set forth in Section 5.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an “as is, where is” basis as they exist as of Closing;
- (b) except as expressly stated in Section 5.1, none of the Company or ResidualCo or their respective Representatives is making, and the Purchaser is not relying on,

any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the Business of the Company, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;

- (c) except for the representations and warranties of the Company set forth in Section 5.1, none of the Company, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, Permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;
- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 5.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Subscription Agreement, and except for fraud on the part of the Company, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Company, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 5.1. Except as set forth above in this Section 5.3(f), such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of Section 5.3 shall survive and not merge on Closing.

ARTICLE 6 COVENANTS

6.1 Incorporation of ResidualCo

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

6.2 Target Closing Date

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

6.3 Application for Reverse Vesting Order

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

6.4 Court Materials

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

6.5 Delisting from TSX

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

6.6 ASC Revocation Order

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

6.7 Employee Matters

- (a) The Parties acknowledge that the Companies have provided the Purchaser with an up-to-date list of the names, positions and calculation of all severance or change-of-control entitlements of all of the Companies' employees, consultants and

contractors fulfilling an employee-like role (collectively, “**Employees**”) prior to the date hereof.

- (b) The Purchaser and Company agree to use commercially reasonable efforts to negotiate, in good faith: (a) the retention of the Employees by the Purchaser or, alternatively, (b) transition services agreements or new employment agreements with the Employees.
- (c) On or before Closing, the Purchaser shall designate in writing which Employees, if any, shall be retained by the Companies (the “**Retained Employees**”). If an Employee is designated as a Retained Employee, the Purchaser acknowledges and agrees that:
 - (i) the Companies shall retain the severance or termination obligations of the Retained Employees, if any, on or after Closing; and
 - (ii) the Companies shall retain the obligation to pay any accrued but unpaid payroll and remit any unremitted employment related statutory obligations, if any, owing to the Retained Employees for the current payroll period.
- (d) If an Employee is not designated by the Purchaser as a Retained Employee, the Companies shall terminate such Employees (collectively the “**Terminated Employees**”) immediately prior to or at Closing, and all liabilities owing to any such Terminated Employee in respect of such termination, including all claims of the Terminated Employee in the amount equal to the payment that such Terminated Employees would have received under the BIA, and all amounts owing on account of statutory notice, termination payments, common law notice or pay in lieu thereof, severance, vacation pay, benefits, bonuses or other compensation or entitlements of any kind (the “**Terminated Employee Claims**”), shall be and constitute Transferred Liabilities which, pursuant to the Reverse Vesting Order and the Closing Sequence, shall be discharged as against the Company and transferred to the ResidualCo.
- (e) Prior to Closing, the Proposal Trustee will provide an estimate of the Terminated Employee Claims (“**Estimated Employee Claims Amount**”), if any, to the Purchaser and will provide the Purchaser with any supporting documentation or calculations reasonably requested by the Purchaser which support such estimate, with copies of all materials provided to the Company.
- (f) On Closing, the Purchaser shall transfer the Estimated Employee Claims Amount, in an amount not to exceed the Bid Value Differential, to the Proposal Trustee, to be held by the Proposal Trustee pending the final valuation of any Terminated Employee Claims. For clarity, the Estimated Employee Claims Amount shall not be deemed or otherwise construed to be an admission of liability or acceptance of value of the Terminated Employee Claims, if any, arising from such termination.

- (g) If the final value of the Terminated Employee Claims, as determined by the Proposal Trustee in accordance with a claims administration process in ResidualCo:
 - (i) exceed the Estimated Employee Claims Amount,
 - (A) the Purchaser shall pay to the Proposal Trustee, in cash or by wire transfer, the difference between the Terminated Employee Claims and the Estimated Employee Claims Amount and such payment shall form part of the Purchase Price; provided the aggregate amount paid by the Purchaser for all Terminated Employee Claims shall not exceed the Bid Value Differential; and
 - (B) the Purchaser shall have no further obligation with respect to the Terminated Employee Claims.
 - (ii) be equal to the Estimated Employee Claims Amount,
 - (A) the Estimated Employee Claims Amount shall form part of the Purchase Price;
 - (B) the Proposal Trustee shall release the Estimated Employee Claims Amount to ResidualCo; and
 - (C) the Purchaser shall have no further obligation with respect to the Terminated Employee Claims,
 - (iii) be less than the Estimated Employee Claims Amount:
 - (A) an amount equivalent to the Terminated Employee Claims shall form part of the Purchase Price;
 - (B) the Proposal Trustee shall release an amount equal to the Terminated Employee Claims to ResidualCo;
 - (C) the Proposal Trustee shall return the balance of the Estimated Employee Claims Amount to the Purchaser; and
 - (D) the Purchaser shall have no further obligation with respect to the Terminated Employee Claims.
- (h) The Parties acknowledge and agree that all amounts owing to Employees, if any, arising from any change-of-control obligation, policy, or other entitlement, shall be a Transferred Liability, regardless of whether any such employee: (a) is terminated by the Companies, (b) is designated as a Retained Employee, or (c) enters into a new employment agreement or transition services agreement with the Purchaser or the Companies, as applicable.

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

6.8 Maintenance of Retained Assets and Continuation of the Business

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

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

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

6.9 Consent of the Purchaser

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

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets or the Business, except in respect of amounts which the Company has committed to expend in connection with the Prosvita Sand Project and the Montney In-Basin Project, which amounts shall not exceed \$50,000 and \$75,000, respectively, without the Purchaser’s prior written consent;
- (b) surrender, abandon, or disclaim any of the Retained Assets;
- (c) materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets;

- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof; or
- (e) take or refuse to take any action which could affect or otherwise alter the Company's 50% interest in AMI Silica LLC, a limited liability company organized under the laws of the State of North Dakota.

6.10 Licence Transfers

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

6.11 Payments in Respect of Transferred Assets

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

6.12 Payments in Respect of Cure Costs

The Cure Costs shall be paid by the Purchaser to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Purchaser and the relevant counterparty to a Retained Contract. All payments required to cure pre-filing monetary defaults in respect of any Retained Contract not specifically included in Schedule "C" hereto shall not be an obligation of or payable by the Purchaser, and such obligation shall be transferred to and paid by ResidualCo on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by ResidualCo and the relevant counterparty.

6.13 Agreement Regarding Fees

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

6.14 Disclaimer of Excluded Contracts

The Company or Companies, as applicable, shall, in consultation with the Proposal Trustee, either: (a) disclaim all Excluded Contracts in accordance with Section 65.11 of the BIA, or (b) terminate those Excluded Contracts, as applicable, on or before the Closing Date.

In the event a contract, agreement, lease (including leases or subleases in respect of real property) or other commitment is designated as an Excluded Contract by the Purchaser in writing prior to Closing, the Parties acknowledge and agree that:

- (a) any monetary obligation flowing from such disclaimer or termination, as determined pursuant to a claims process to be facilitated by the Proposal Trustee in accordance with the BIA, shall be a Transferred Liability (the “**Disclaimer Liability**”);
- (b) the Purchase Price shall increase by an amount equal to the Disclaimer Liability; and
- (c) on Closing, the Purchaser shall transfer \$500,000, or such lesser amount as the Purchaser and the Proposal Trustee may agree, acting reasonably, to the Proposal Trustee (the “**Escrow Amount**”), to be held by the Proposal Trustee in a non-interest bearing trust account, pending the final valuation of any claim or claims filed by a counterparty to a disclaimed or terminated contract; provided, however, that the Escrow Amount shall not be deemed or otherwise construed to be an estimate of the Disclaimer Liability, if any, arising from such disclaimer or termination.

In the event the Disclaimer Liability is determined by the Proposal Trustee to:

- (b) exceed the Escrow Amount,
 - (i) the Purchaser shall pay to the Proposal Trustee, in cash or by wire transfer, the difference between the Disclaimer Liability and the Escrow Payment, and such payment shall form part of the Purchase Price; and
 - (ii) the Purchaser shall have no further obligation with respect to the Disclaimer Liability.
- (c) be equal to the Escrow Amount,
 - (i) the Escrow Amount shall form part of the Purchase Price;
 - (ii) the Proposal Trustee shall release the Escrow Amount to ResidualCo; and
 - (iii) the Purchaser shall have no further obligation with respect to the Disclaimer Liability,
- (d) be less than the Escrow Amount:

- (i) an amount equivalent to the Disclaimer Liability shall form part of the Purchase Price;
- (ii) the Proposal Trustee shall release an amount equal to the Disclaimer Liability to ResidualCo;
- (iii) the Proposal Trustee shall return the balance of the Escrow Amount to the Purchaser; and
- (iv) the Purchaser shall have no further obligation with respect to the Disclaimer Liability.

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

7.1 Company to Provide Access

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

7.2 Access to Information

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

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters, Claims, and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;

- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Company or any of them.

7.3 Maintenance of Information

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

ARTICLE 8 GENERAL

8.1 Further Assurances

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

8.2 Liability of the Company or ResidualCo

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

8.3 Entire Agreement

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

8.4 Governing Law

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

to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

8.5 Assignment and Enurement

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

8.6 Time of Essence

Time is of the essence in this Subscription Agreement.

8.7 Notices

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

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

Attention: Dana Archibald, Chief Executive Officer
[REDACTED] [REDACTED]

With a copy to its legal counsel at:

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

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

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

Attention: Victoria Berenz
[REDACTED] [REDACTED]

With a copy to its legal counsel at:

Blake, Cassels & Graydon LLP
855 2 St SW Suite 3500,

Calgary, AB T2P 4J8

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

and

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

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

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

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

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

8.8 Invalidity of Provisions

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

8.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall

take effect or be binding upon that Party unless the waiver is expressed in writing, including by way of-email, under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

8.10 Amendment

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

8.11 Survival

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

8.12 Confidentiality and Public Announcements

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

8.13 Sealing Order

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

8.14 Termination

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

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

- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 4.1, 4.2 or 4.3, as applicable.

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

8.15 Personal Information

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

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

8.16 Directors

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

(Remainder of page intentionally left blank)

8.17 Counterpart Execution

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

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

ATHABASCA MINERALS INC.

BADGER MINING CORPORATION

Per: (“signed”) *Dana Archibald*

Name: Dana Archibald
Title: Chief Executive Officer

Per: (“signed”) *Adam Katz*

Name: Adam Katz
Title: Chief Commercial Officer

THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED FEBRUARY 9, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Form of Reverse Vesting Order

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

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

JUDICIAL CENTRE

CALGARY

MATTER

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

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

APPLICANTS

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

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Fasken Martineau DuMoulin LLP

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

DATE ON WHICH ORDER WAS PRONOUNCED:

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER:

UPON THE APPLICATION of Athabasca Minerals Inc. (“**AMI**”), AMI Silica Inc.,
AMI Aggregates Inc., AMI RockChain Inc., TerraShift Engineering Ltd., 2132561 Alberta Ltd.,

and 2140534 Alberta Ltd. (collectively, the “**Companies**”), for an order, among other things, approving the reverse vesting share transaction (the “**Transaction**”) in respect of AMI contemplated by the Subscription Agreement between AMI and [REDACTED] (the “**Purchaser**”) dated [REDACTED] (the “**Subscription Agreement**”), and attached as Exhibit [REDACTED] to the affidavit of [REDACTED] sworn [REDACTED] (the “**Affidavit**”);

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

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

IT IS HEREBY ORDERED THAT:

SERVICE

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

CAPITALIZED TERMS

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

APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription

Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.

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

REORGANIZATION

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

each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;

- e) each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order; and
 - f) AMI shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with the Subscription Agreement, free and clear of and from any and all Claims, Losses and Encumbrances.
6. The Purchaser and AMI, in completing the Transactions, are authorized to:
- a) execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and
 - b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.
7. The Proposal Trustee may rely on any documents, assurances, or written notices, from AMI, the Companies, and the Purchaser, as applicable, regarding the fulfillment of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Proposal Trustee's Certificate following the receipt of such document, assurance, or written notice.

8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 (“**ABCA**”) shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription Agreement, filed by AMI, and the effective date for any certificate or authorization issued by the Registrar shall be the date of Closing.
9. The Purchaser, the Companies, and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Reorganization, including, without limitation, the issuance of the Purchased Shares, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Reorganization.
10. This Order shall constitute the only authorization required by the Purchaser, the Companies, or ResidualCo to proceed with the Transaction, including, without limitation, the Reorganization and, except as specifically provided in the Subscription Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction in respect of the Companies is required for the due execution, delivery and performance by the Purchaser, the Companies and by ResidualCo of the Subscription Agreement and the completion of the Transaction.

VESTING OF ASSETS AND LIABILITIES

11. Subject to the terms of the Subscription Agreement, upon delivery of the Proposal Trustee’s Certificate, the following, among other things, shall occur and be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Subscription Agreement:

- a) all legal and beneficial right, title and interest of the Companies in and to the Transferred Assets (which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Encumbrances attached to the Transferred Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;
- b) all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;
- c) the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
- d) the Retained Assets will be retained by AMI in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- e) AMI shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by AMI to the Subsidiaries) using the Purchase Price. If the aggregate

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

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

12. As of the Effective Time:

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

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

14. For greater certainty, from and after the Effective Time, all contracts, leases, licenses, and agreements to which the Companies are a party upon delivery of the Proposal Trustee’s Certificate will be and shall remain in full force and effect upon and following delivery of the Proposal Trustee’s Certificate and no individual firm, corporation, governmental body, agency, or any other entity (collectively a “**Person**”) who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform, or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution, or other remedy) or make any demand under or in respect of any such arrangement, and no automatic termination will have any validity or effect, by reason of:
 - a) the insolvency of the Companies or the fact that the Companies sought or obtained relief under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”);

 - b) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings;

- c) any transfer or assignment, or any change of control of Companies arising from the implementation of the Subscription Agreement, the Transaction, or the provisions of this Order; or
 - d) any event that occurred on or prior to the delivery of the Proposal Trustee's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Companies).
15. Notwithstanding paragraph 13, all cure costs shall be paid by the Purchaser or ResidualCo, as applicable and as set out in the Subscription Agreement, to the relevant counterparty to a Retained Contract, on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Purchaser or ResidualCo, as applicable, and the relevant counterparty to a Retained Contract.
16. From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims, Losses and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.
17. Upon the delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transactions, and to discharge and release all Claims, Losses and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

RESIDUALCO MATTERS

18. [●] (the “**First Director**”) is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.
19. Notwithstanding Section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.
20. The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.
21. ResidualCo shall be deemed to be the former employer of any former employees of AMI or the Companies who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*. For greater certainty, the Terminated Employee Claims shall be and constitute Transferred Liabilities which, pursuant to this Order and the Closing Sequence, shall be discharged as against AMI and transferred to ResidualCo.
22. The administration of ResidualCo shall remain subject to the Proposal Trustee’s appointment and oversight, and this Court’s oversight and these proposal proceedings.
23. Following the satisfaction and discharge of all Transferred Liabilities, all outstanding ResidualCo Shares shall be cancelled for either: (i) no consideration; or (ii) in the event the Transferred Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, such amounts as determined by the Proposal Trustee in its sole discretion. Following the foregoing, all such ResidualCo Shares together with any agreement, contract, plan, indenture, deed,

certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of ResidualCo shall be deemed terminated and cancelled in accordance with and pursuant to the this Order. The record date for such payment shall be set as the date of granting of this Order.

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

RELEASES AND OTHER PROTECTIONS

25. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:
- a) the Transferred Assets;
 - b) any and all Claims, Losses or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
 - c) the insolvency of the Companies prior to the Effective Time;
 - d) the commencement or existence of the notice of intention proceedings; or

- e) the completion of the Transactions.
26. From and after the Effective Time, the Purchaser and the Companies shall be released from all Claims, Losses and Encumbrances with respect to any Taxes of, in respect of, or that relate to, the Companies, including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Companies (including their Affiliates and any predecessor corporations) pursuant to Sections 160 and 160.01 of the *Income Tax Act* (Canada) and Section 325 of the GST Legislation and including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Companies; provided, as it relates to the Purchaser and the Companies, such release shall not apply to any Taxes in respect of the business and operations conducted by the Companies after the Effective Time. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes or obligations in respect thereof that are transferred to ResidualCo.
27. From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, and (d) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is

determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.

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

MISCELLANEOUS MATTERS

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

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

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

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF **RESIDUALCO**

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

Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.

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

Justice of the Court of King’s Bench of Alberta

Schedule “A” - Form of Proposal Trustee’s Certificate

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

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

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE
OF INTENTION TO MAKE A
PROPOSAL OF ATHABASCA
MINERALS INC., AMI SILICA INC.,
AMI AGGREGATES INC., AMI
ROCKCHAIN INC., TERRASHIFT

Clerk’s Stamp

ENGINEERING LTD., 2132561
ALBERTA LTD., and 2140534 ALBERTA
LTD.

DOCUMENT

Proposal Trustee's Certificate

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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

RECITALS

- A. On November 13, 2023, Athabasca Minerals Inc. (“**AMI**”), AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., TerraShift Engineering Ltd., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. (collectively, the “**Companies**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal trustee of the Companies’ within Proposal Proceedings (and in such capacity the “**Proposal Trustee**”).
- B. Pursuant to an Order of the Honourable _____ of the Alberta Court of King’s Bench, Judicial District of Calgary (the “**Court**”) dated _____, 2024 (the “**Transaction Approval Order**”), the Court approved the transactions contemplated by the Subscription Agreement dated _____, 2024 (the “**Subscription Agreement**”) between AMI and ■ (the “**Purchaser**”).

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

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

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

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

Per: _____

Name: Andrew Basi

Title: Managing Director

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED FEBRUARY 9, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Transferred Assets

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

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

Transferred Liabilities

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

- funded indebtedness;
- promissory notes (other than the ResidualCo Notes) issued by the Companies;
- operating liabilities and Taxes related to the Transferred Assets;
- liabilities of the Companies for Taxes arising prior to or on the Closing Date, howsoever arising, excepting any Taxes specifically designated as a Retained Liability and any Taxes arising as a result of this Transaction;
- trade claims, trade payables or other unsecured claims, including any cure cost not explicitly set out in Schedule “C” hereto, or other obligations owing in connection with the Retained Contracts;
- liabilities relating to any change of control provision that may arise in connection with any change of control contemplated by the Transactions, including with respect to any change of control obligations arising owed to the Employees, regardless of whether any such employee: (a) is terminated by the Companies, (b) is designated as a Retained Employee, or (c) enters into a new employment agreement or transition services agreement with the Purchaser or the Companies, as applicable;

- liabilities associated with shareholder or other loans to the Companies;
- the Terminated Employee Claims as well as any payroll or other employment related statutory obligations accrued prior to Closing in respect of the Terminated Employees;
- except as provided for in Section 6.14, Claims or Losses arising from the Excluded Contracts, wheresoever and howsoever arising, including with respect to any Claims or Losses arising from the disclaimer or termination of the Excluded Contracts;
- liabilities or obligations arising from the SISP Order and any subsequent order of the Court, including but not limited any liability or obligations secured by the following:
 - the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
 - the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
 - the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- Claims or Losses of any kind or nature arising on or before the Effective Date.
- Accrued but unpaid payroll and unremitted employment related statutory obligations, if any, owing to the Retained Employees, other than amounts described in Section 6.7(c)(ii).

Excluded Contracts

The Excluded Contracts, being those contracts, leases or agreements to be disclaimed and/or otherwise terminated by the Company, or Companies, includes:

- any contract, agreement, lease, or commitment designated as an Excluded Contract by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Purchaser, means, unless otherwise designated by the Purchaser, all assets of every nature and kind whatsoever owned,

controlled, or beneficially held by the Company or the Companies, as applicable, including but not limited to:

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

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

Retained Liabilities

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

- obligations in connection with nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements to which the Companies are a party;
- any and all regulatory, environmental and government liabilities related to the Lands and Buildings and Fixtures;
- all operating liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- income tax liabilities in respect of the Company's 2023 taxation year arising from (a) the disposition of certain assets in 2023 pursuant to the Offer to Purchase and Agreement for the Purchase and Sale of Assets between the Company and an

arm's length party closing dated June 23, 2023; and (b) the Settlement Agreement dated October 2023 between the Company and a supplier. For greater certainty, no other Taxes shall be retained by the Companies, all of which shall be transferred to ResidualCo as part of the Transferred Liabilities (excepting any Taxes arising as a result of this Transaction);

- Taxes arising as a result of this Transaction;
- obligations arising in connection with Retained Contracts and Permits;
- any intercompany indebtedness or claim owing to an Affiliate of the Company;
- any other liability or obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to Closing; and
- Amounts owing for unpaid payroll and unremitted employment related statutory obligations, if any, owing to the Retained Employees, as described in Section 6.7(c)(ii).

Retained Contracts

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

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

THE FOLLOWING COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED FEBRUARY 9, 2024, BETWEEN ATHABASCA MINERALS INC. AND BADGER MINING CORPORATION OR ITS AFFILIATE

Contract Counterparty/Project	Cure Cost (\$CAD)
799462 Alberta Ltd.	\$ [REDACTED]
Sierra Geological Corp.	\$ [REDACTED]
102004623 Saskatchewan Inc.	\$ [REDACTED]
Firebag Sand Resource	\$ [REDACTED]