

Clerk's Stamp

COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

2001-07984  
COURT OF QUEEN'S BENCH OF ALBERTA  
CALGARY

APPLICANTS:

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF NORTHERN SILICA CORPORATION,  
HEEMSKIRK MINING PTY. LTD., CUSTOM BULK  
SERVICES INC., HEEMSKIRK CANADA LIMITED,  
HEEMSKIRK CANADA HOLDINGS LIMITED, and HCA  
MOUNTAIN MINERALS (MOBERLY) LIMITED

APPLICANTS  
RESPONDENTS

QMETCO LIMITED and TAURUS RESOURCES NO. 2 B.V.  
NORTHERN SILICA CORPORATION, HEEMSKIRK  
MINING PTY. LTD., CUSTOM BULK SERVICES INC.,  
HEEMSKIRK CANADA LIMITED, HEEMSKIRK CANADA  
HOLDINGS LIMITED, and HCA MOUNTAIN MINERALS  
(MOBERLY) LIMITED

DOCUMENT

**AMENDED APPLICATION (SALE APPROVAL, VESTING  
ORDER)**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

McMillan LLP  
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Attention : Adam Maerov  
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Kourtney Rylands  
Phone: 403-355-3326  
Email: kourtney.rylands@mcmillan.ca

File No. 273913

## NOTICE TO THE RESPONDENT

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date:	September 11, 2020
Time:	10:00 am
Where:	Calgary Courts Centre – Via Webex. Videoconference details are enclosed as <b>Appendix “A”</b> to this Application
Before:	The Honourable Justice D.B. Nixon

Go to the end of this document to see what you can do and when you must do it.

### Orders Sought:

1. The Respondents, Northern Silica Corporation (“**NSC**”), Custom Bulk Services Inc. (“**Custom Bulk**”), Heemskirk Canada Limited (“**Heemskirk Canada**”), Heemskirk Canada Holdings Limited (“**Heemskirk Holdings**”), HCA Mountain Minerals (Moberly) Limited (“**Moberly**”) and Heemskirk Mining Pty. Ltd., (“**Heemskirk Australia**”) (collectively referred to herein as the “**NSC Companies**”) seek relief pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) as follows.
2. a sale approval and vesting order substantially in the form attached as Schedule “A” (the “**Approval and Vesting Order**”) to the application filed concurrently with this affidavit, granting certain relief, including:
  - (a) terminating the sales and investment solicitation process (“**SISP**”) approved by the July 27, 2020 Order of the Honourable Justice K.M. Horner (the “**SISP Order**”);
  - (b) declaring that the Stalking Horse Agreement (as defined in the SISP) (the “**APA**”) entered into on July 21, 2020 between Custom Bulk, Heemskirk Canada, Heemskirk Holdings, and HCA Moberly (the “**Sellers**”), as sellers, Vitreo Minerals Ltd. (the “**Stalking Horse Bidder**”), as purchaser, and the Monitor, in respect of the assets described therein (the “**Purchased Assets**”), is the Successful Bid (as defined in the SISP);
  - (c) authorizing the NSC Companies and the Monitor to take all steps or actions necessary or desirable to complete the closing of the Transaction contemplated by the APA, including the execution of any other agreement, contract, deed, bill of sale, transfer or any other document which could be required or be useful to give full and complete effect to the APA;
  - (d) vesting the Purchased Assets in the name of the Stalking Horse Bidder, or its nominee, free and clear of all Claims (as defined in the Approval and Vesting Order);
  - (e) extending the stay of proceedings (the “**Stay Period**”) up to and including November 27, 2020; ^

- (f) increasing the amount of the Administration Charge (as defined in the amended and restated initial order granted on July 3, 2020) to \$619,000 to secure the payment of the fees of Alvarez & Marsal Canada Inc. in its capacity as monitor (the “**Monitor**”), counsel to the Monitor, and counsel to the NSC Companies;
- (g) directing the NSC Companies to deposit with the Monitor in trust, an amount sufficient to pay any liabilities and obligations with respect to the handling and disposal costs that may be ordered by this Court up to a maximum amount of \$210,000 in relation to the Application served by Trinityrail Canada Inc. (“Trinity”) on July 29, 2020 in relation to the disclaimer of the Railroad Car Lease Agreement between Trinity and Custom Bulk dated June 14, 2018; and
- (h) such further relief as this Court deems just.

**Basis for this Claim:**

**Background to CCAA Proceeding**

- 3. The NSC Companies operate an integrated silica mining and transport business. The silica mining component of the business takes place at mining facilities near Golden, British Columbia (the “**Moberly Plant**”). The transport component of the business takes place at a transloading facility in Penhold, Alberta (the “**Penhold Facility**”).
- 4. On July 3, 2020, the Applicants, QMetco Limited (“**QMetco**”) and Taurus Resources No. 2 B.V. (“**Taurus**” and together with QMetco, the “**Secured Lenders**”) applied for and were granted an initial order in respect of the NSC Companies that commenced this CCAA proceeding.
- 5. The Secured Lenders granted secured loans to HCA Moberly, which have been guaranteed by the other NSC Companies except for Custom Bulk. In addition to being a senior secured creditor of the NSC Companies (except for Custom Bulk), Taurus is also a significant shareholder of NSC, the ultimate parent company of the NSC Companies.
- 6. On July 10, 2020, the NSC Companies applied for and were granted the Initial Order, amending and restating the initial order granted on July 3, 2020 (as amended and restated, the “**Initial Order**”).
- 7. On July 27, 2020, the NSC Companies applied for and were granted the SISP Order that, *inter alia*:
  - (a) approved the SISP and the SISP Procedures (as defined in the SISP); and
  - (b) approved the bid made by the Stalking Horse Bidder pursuant to the APA, approved the APA and authorized the NSC Companies to execute the APA.
- 8. On July 27, 2020, the NSC Companies also applied for and were granted an order that, *inter alia*:
  - (a) approved the engagement of the Whitehorn Merchant Capital Inc. as sales agent (the “**Sales Agent**”) and the granting of the Sales Agent Charge; and
  - (b) extended the Stay Period up to and including October 9, 2020.

### **SISP and Stalking Horse APA**

9. The NSC Companies and the Sales Agent, with the assistance of the Monitor, have conducted Phase I of the SISP. The results of Phase I of the SISP are summarized in the confidential supplement to the third report of the Monitor filed in these proceedings (the “**Confidential Supplement**”).
10. The results of Phase I of the SISP were reviewed by the Sales Agent who determined that there is no reasonable prospect that any Qualified Non-Binding LOIs received will result in a Superior Offer and recommended that the SISP be terminated.
11. The SISP contemplates that if the SISP is terminated pursuant to the Sales Agent’s recommendation, the Applicants shall promptly take steps to close the Transaction contemplated by the APA.
12. The SISP:
  - (a) was approved by this Honourable Court;
  - (b) was fair and reasonable in the circumstances;
  - (c) was open, transparent and conducted in a professional manner; and
  - (d) was conducted with the participation, assistance and oversight of the Monitor and the Sales Agent.
13. The Monitor and the NSC Companies’ used their reasonable best efforts and there is no unfairness resulting from the termination of the SISP.
14. The APA and the transactions contemplated therein:
  - (a) provide fair and reasonable consideration for the property listed therein;
  - (b) are supported by the Secured Creditors;
  - (c) provide certainty of a timely closing and with limited closing risk, compared to extending the SISP deadlines; and
  - (d) are more beneficial to the NSC Companies and their stakeholders than would be a sale or disposition in a bankruptcy.

### **Extension of Stay of Proceedings**

15. The Stay Period (as defined in the Initial Order) will expire on October 9, 2020.
16. Since the last stay extension was granted, the NSC Companies have acted in good faith and with due diligence.
17. The granting of an extension of the Stay Period up to and including November 27, 2020 is necessary and in the best interests of the NSC Companies and their stakeholders as it will allow the NSC Companies to close the transactions contemplated by the APA. It will also allow the Monitor to oversee additional wind-down activities.

33. No creditor will be prejudiced by the proposed extension of the Stay Period.

**Affidavit or Other Evidence to be used in support of this application:**

18. The Affidavit of Jerrad Blanchard, sworn on July 21, 2020.
19. The Affidavit of Jerrad Blanchard, sworn on September 3, 2020.
20. The Affidavit of Richard Jones, QC, sworn on September 10, 2020.
21. The Affidavit of Service of David Tsumagari, filed.
22. The Pre-Filing Report of the Monitor.
23. The First Report of the Monitor.
24. The Second Report of the Monitor.
25. The Third Report of the Monitor and the Confidential Supplement and second supplement thereto.
26. Such further and other materials as counsel may advise and this Honourable Court may permit.

**Applicable Acts and Regulations:**

27. *Busines Corporations Act*, RSA 2000, c. B-9.
28. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.
29. *Judicature Act*, RSA 2000, c J-2.
30. *Rules of Court*, Alta Reg 124/2010.
31. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this Application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to rely on an affidavit or other evidence when the

Application is heard or considered, you must reply by giving reasonable notice of the material to the Applicant.

**Appendix “A” – Webex Videoconference Information**  
**(See Attached)**

**Virtual Courtroom 60** has been assigned for the following matter:

Date: Sep 04, 2020 10:00 AM

Style of Cause: COMPANIES CREDITORS ARRANGEMENT ACT v. NORTHERN SILICA CORPORATION, 2001 07984

Presiding Justice: ROMAINE, J

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

#### Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

If you are a non-lawyer attending this hearing remotely, please complete this undertaking located here: <https://www.albertacourts.ca/qb/resources/announcements/undertaking-and-agreement-for-non-lawyers>

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>



**Schedule “A” to Application  
(See Attached)**

COURT FILE NUMBER

2001-07984

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF  
ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, RSC,  
1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
NORTHERN SILICA CORPORATION,  
HEEMSKIRK MINING PTY. LTD.,  
CUSTOM BULK SERVICES INC.,  
HEEMSKIRK CANADA LIMITED,  
HEEMSKIRK CANADA HOLDINGS  
LIMITED and HCA MOUNTAIN  
MINERALS (MOBERLY) LIMITED

APPLICANTS

QMETCO LIMITED and TAURUS  
RESOURCES NO. 2 B.V.

DEFENDANT

NORTHERN SILICA CORPORATION,  
HEEMSKIRK MINING PTY. LTD.,  
CUSTOM BULK SERVICES INC.,  
HEEMSKIRK CANADA LIMITED,  
HEEMSKIRK CANADA HOLDINGS  
LIMITED and HCA MOUNTAIN  
MINERALS (MOBERLY) LIMITED

DOCUMENT

**APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
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Kourtney Rylands  
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Email: kourtney.rylands@mcmillan.ca

File No. 273913

**DATE ON WHICH ORDER WAS PRONOUNCED:** September 11, 2020

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

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Justice D.B. Nixon

**UPON THE APPLICATION** of Northern Silica Corporation, Heemskirk Mining Pty. Ltd., Custom Bulk Services Inc. (“**Custom Bulk**”), Heemskirk Canada Limited (“**Heemskirk Canada**”), Heemskirk Canada Holdings Limited (“**Holdings**”) and HCA Mountain Minerals (Moberly) Limited (“**Moberly**”) for an order approving the sale transaction and related matters (the “**Transaction**”) contemplated by an asset purchase agreement among Moberly, Custom Bulk, Heemskirk Canada, and Holdings as vendors (the “**Vendors**”), Vitreo Minerals Ltd. as purchaser (the “**Purchaser**”) and Alvarez & Marsal Canada Inc., in its capacity as court-appointed Monitor of the Vendors (the “**Monitor**”) dated July 21, 2020, as amended by an amending agreement dated September 10, 2020 (together, the “**Sale Agreement**”), and vesting in the Purchaser the Vendors’ right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

**AND UPON** having read the Application, the Affidavit of Jerrad Blanchard sworn September 3, 2020, filed, and the Affidavit of Service, filed;

**AND UPON** reading the third report of the Monitor dated September 4, 2020 (the “**Third Report**”), the confidential supplement to the Third Report (the “**Confidential Supplement**”), the second report of the Monitor dated July 22, 2020, and the pleadings and proceedings herein, including the Initial Order granted on June 30, 2020, as amended and restated on July 10, 2020 (the “**Initial Order**”);

**AND UPON** hearing counsel for the Vendors, counsel for the Monitor, counsel for QMetco Limited, Taurus Resources No. 2 B.V. and the Purchaser., and other counsel present;

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

## **SERVICE**

1. Service of notice of this application 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 time for service of this application is abridged to that actually given.

## **DEFINED TERMS**

2. All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Sale Agreement.

## **EXTENSION OF STAY OF PROCEEDINGS**

3. The Stay Period (as defined in the Initial Order) shall be and is hereby extended to and including November 27, 2020 and all other terms of the Initial Order shall remain in full force and effect.

## **INCREASE TO ADMINISTRATION CHARGE**

4. The Administration Charge granted pursuant to the Initial Order is hereby increased from \$200,000 to \$619,000.

## **APPROVAL OF TRANSACTION**

5. The Sale and Investment Solicitation Process (“**SISP**”) approved by Order of this Honourable Court on July 27, 2020 is hereby terminated.
6. The Purchaser is hereby declared to be the Successful Bidder (as defined in the SISP), and the Sale Agreement is hereby declared to be the Successful Bid (as defined in the SISP). All other bids submitted in the SISP are hereby rejected.
7. The Sale Agreement is hereby approved in its entirety. The Transaction is hereby approved, and execution of the Sale Agreement by the Vendors and by any officer of the Vendors on behalf of the Vendors is hereby authorized, ratified, confirmed and approved, with such minor amendments as the Purchaser and the Vendors may deem necessary, with the consent of the Monitor. The Vendors and any officer of the Vendors on behalf of the Vendors are hereby authorized and directed to take such additional steps and execute such additional agreements, contracts, deeds, bills of sale, transfers, or any other document as may be necessary or desirable for completion of the Transaction

and conveyance of the Purchased Assets to the Purchaser (or its nominee) without any corporate or other approvals.

## VESTING OF PROPERTY

8. Upon delivery of a Monitor's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Monitor's Certificate**"), all of the Vendors' right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely, exclusively, entirely and forever in the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, 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 (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Initial Order;
- (b) any encumbrances or charges created by the Order (Sales Agent Approval and Charge) granted by the Honourable Justice K.M. Horner on July 27, 2020;
- (c) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), the *Personal Property Security Act* (British Columbia), or any other personal property registry system;
- (d) any liens or claims of lien under the *Builders' Lien Act* (Alberta) or the *Builders Lien Act* (British Columbia);
- (e) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Alberta) or the *Land Title Act* (British Columbia);
- (f) any charges, security interests or claims evidenced by registrations against the Mineral Tenures (defined below); and
- (g) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (collectively, "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

9. Upon delivery of the Monitor's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor'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 convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Alberta Registrar of Land Titles ("**Alberta Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title Nos. 972 302 793 and 972 302 794 for those lands and premises legally described as:

PLAN 9120596  
LOT 7  
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 8020947  
LOT 2  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
(the "**Alberta Lands**")

- (ii) issue a new Certificate of Title (the "**Alberta New Certificate of Title**") for the Alberta Lands in the name of the Purchaser (or its nominee);
- (iii) transfer to the Alberta New Certificate of Title the existing instruments listed in **Schedule "C"**, to this Order, and to issue and register against the Alberta New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule "C"**; and
- (iv) discharge and expunge the Encumbrances listed in **Schedule "B"** to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Alberta Lands;

- (b) the British Columbia Registrar of Land Titles ("**BC Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) enter the Purchaser as the owner of the lands and premises legally described as:

Parcel Identifier: 029-224-851

Legal Description: LOT A SECTION 29 TOWNSHIP 28 RANGE 22 WEST OF THE 5<sup>TH</sup> MERIDIAN KOOTENAY DISTRICT PLAN EPP30862 (the “**BC Lands**”)

together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licences, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the BC Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the BC Lands is a good, safe holding and marketable title and directs the BC Land Titles Registrar to register indefeasible title in favour of the Purchaser as aforesaid;

- (ii) having considered the interests of third parties, to discharge, release, delete and expunge from title to the BC Lands all of the registered Encumbrances listed in **Schedule “B”** to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of this Order against the BC Lands;
- (c) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge all of the registered Encumbrances listed in **Schedule “B”** to this Order claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Vendors in any of the Purchased Assets;
- (d) the Purchaser (or its nominee) is hereby authorized to cancel and discharge (or to direct any person to cancel and discharge) all of the Encumbrances registered in the British Columbia Personal Property Security Registry listed in **Schedule “B”** to this Order claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Vendors in any of the Purchased Assets;
10. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Monitor’s Certificate shall be the

sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

11. No authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Vendors of the Sale Agreement.
12. Upon delivery of the Monitor's Certificate, the Purchaser (or its nominee) is authorized to make such registrations as it deems necessary to be entered as the owner and/or lessee of the Vendors' interest in the mineral tenures presently held by Moberly in British Columbia and having title numbers: 213089, 213090, 213099, 213195, 338588, 344488, 576995, and 1070999 (the "**Mineral Tenures**"). The Vendors, Purchaser and Monitor may pursue the provisional execution of this Order, including without limiting the general application of the foregoing, notwithstanding any appeal and without requirement to provide any security or provision for costs whatsoever. Without limiting the generality of the foregoing, this Order shall be registered by the Alberta Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act* (Alberta), or any similar act in any province of Canada and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
13. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Vendors or their legal counsel) shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
14. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code* and section 97 of the British Columbia *Employment Standards Act*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Vendors.



15. Upon completion of the Transaction, the Vendors and all persons who claim by, through or under the Vendors in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
16. Upon delivery of the Monitor's Certificate, the Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Vendors, or any person claiming by, through or against the Vendors, other than the Permitted Encumbrances
17. Upon delivery of the Monitor's Certificate, the holders of Permitted Encumbrances shall have no claim whatsoever against the Monitor or the Vendors.
18. The Monitor is directed to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
19. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), section 20(e) of the Alberta *Personal Information Protection Act*, and section 18(1)(i) of the British Columbia *Personal Information Protection Act* the Vendors are authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information 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 the Vendors.
20. The CCAA Charges Allocation and the allocation of the DIP Obligations (each as defined in the Sale Agreement) as attached to the Second Supplement to the Monitor's Third Report are hereby approved.

21. Upon receipt by the Monitor of the CCAA Charges Payment (as defined in the Sale Agreement) and the payment and discharge of the CCAA Charges, the Purchaser shall be fully subrogated to the rights, claims and security of the beneficiaries of the CCAA Charges in the amount of the CCAA Charges Payment.
22. On the Closing (as defined in the Sale Agreement), the Purchaser will pay all amounts owing under the CCAA Charges (with the exception of the DIP Charge (as defined in the Sale Agreement)) to the Monitor, in trust for the Vendors, or as directed by the Monitor and the Vendors, to be distributed to the beneficiaries of the CCAA Charges (the “**CCAA Charges Payment**”).

### **HOLDBACK**

23. Prior to the completion of the Transaction, the Vendors are directed to deposit with the Monitor, in trust, an amount sufficient to pay and perform any liabilities and obligations with respect to the handling and disposal costs that may be Ordered by this Court up to a maximum amount of \$210,000 in relation to the Application served by Trinityrail Canada Inc. (“**Trinity**”) on July 29, 2020 in relation to the disclaimer of the Railroad Car Lease Agreement between Trinity and Custom Bulk dated June 14, 2018. The Monitor shall hold such amount in trust and shall not release any portion of said amount except as agreed by Trinity and Custom Bulk in writing or pursuant to further order of this Court.

### **TEMPORARY SEALING**

24. Division 4 of Part 6 of the Alberta Rules of Court does not apply to this Application.
25. The Confidential Supplement shall, until the earlier of (a) the closing of the Transaction as evidenced by the filing of the Monitor’s Certificate with the Court of Queen’s Bench of Alberta; and (b) further Order of this Court, be sealed and kept confidential, to be shown only to a Justice of the Court of Queen’s Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Supplement in a sealed envelope, which shall be clearly marked “SEALED PURSUANT TO THE ORDER OF THE HONOURABLE JUSTICE D.B. NIXON DATED SEPTEMBER 11, 2020”.

### **APPROVAL OF MONITOR’S ACTIVITIES, FEES**

26. The actions and conduct of the Monitor in the within CCAA proceedings from June 30, 2020 to the date of this Order are approved.

27. The professional fees and disbursements of the Monitor and the Monitor's legal counsel Tory's LLP for the period ended August 31, 2020 are approved.

#### MISCELLANEOUS MATTERS

28. Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**"), in respect of a Vendor and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of a Vendor; and
- (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of a Vendor and shall not be void or voidable by creditors of the Vendors, 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, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

29. The Vendors, the Monitor, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
30. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Monitor, the Vendors and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor, the Vendors and their agents in carrying out the terms of this Order.
31. Service of this Order shall be deemed good and sufficient by:

- (a) Serving the same on:
  - (i) the persons listed on the service list created in these proceedings;
  - (ii) any other person served with notice of the application for this Order;
  - (iii) any other parties attending or represented at the application for this Order;
  - (iv) the Purchaser or the Purchaser's solicitors; and
- (b) Posting a copy of this Order on the Monitor's website at:  
<https://www.alvarezandmarsal.com/northernsilica#intro>,

and service on any other person is hereby dispensed with.

- 32. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A"****FORM OF MONITOR'S CERTIFICATE**

COURT FILE NUMBER

2001-07984

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF  
ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, RSC,  
1985, c C-36, as amendedAND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
NORTHERN SILICA CORPORATION,  
HEEMSKIRK MINING PTY. LTD.,  
CUSTOM BULK SERVICES INC.,  
HEEMSKIRK CANADA LIMITED,  
HEEMSKIRK CANADA HOLDINGS  
LIMITED and HCA MOUNTAIN  
MINERALS (MOBERLY) LIMITED

APPLICANTS

QMETCO LIMITED and TAURUS  
RESOURCES NO. 2 B.V.

DEFENDANT

NORTHERN SILICA CORPORATION,  
HEEMSKIRK MINING PTY. LTD.,  
CUSTOM BULK SERVICES INC.,  
HEEMSKIRK CANADA LIMITED,  
HEEMSKIRK CANADA HOLDINGS  
LIMITED and HCA MOUNTAIN  
MINERALS (MOBERLY) LIMITED

DOCUMENT

**MONITOR'S CERTIFICATE**ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENTTorys LLP, Barristers and Solicitors  
525-8<sup>th</sup> Avenue SW (46<sup>th</sup> Floor, East Tower)  
Calgary, AB T2P 4K9  
Phone: 403-776-3744  
Fax: 403-776-3800  
Attention: Kyle Kashuba  
Email: [kkashuba@torys.com](mailto:kkashuba@torys.com)

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice K.M. Horner of the Court of Queen’s Bench of Alberta, Judicial District of Calgary (the “**Court**”) dated June 30, 2020 Alvarez & Marsal Canada Inc. was appointed as the Monitor (the “**Monitor**”) of Northern Silica Corporation, Heemskirk Mining Pty. Ltd., Custom Bulk Services Inc., Heemskirk Canada Limited, Heemskirk Canada Holdings Limited and HCA Mountain Minerals (Moberly) Limited (collectively, the “**Debtors**”).
- B. Pursuant to an Order of the Court dated September 11, 2020 the Court approved the asset purchase agreement made as of July 21, 2020 (the “**Sale Agreement**”) among Custom Bulk Services Inc., Heemskirk Canada Limited, Heemskirk Canada Holdings Limited and HCA Mountain Minerals (Moberly) Limited as vendors (collectively, the “**Vendors**”), Vitreo Minerals Ltd. (the “**Purchaser**”), and the Monitor, and provided for the vesting in the Purchaser of the Vendors’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 8.1-8.4 of the Sale Agreement have been satisfied or waived by the Vendors and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Vendor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 8.1-8.4 of the Sale Agreement have been satisfied or waived by the Vendors and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at [Time] on [Date].

**Alvarez & Marsal Canada Inc., in its  
capacity as Court-appointed Monitor  
of the Debtors**

**Per:** \_\_\_\_\_

**Name:**

**Title:**

## SCHEDULE "B"

### ENCUMBRANCES TO BE DISCHARGED

#### 1. Alberta PPR Registrations to be Discharged

##### HCA MOUNTAIN MINERALS (MOBERLY) LIMITED

1.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2016-Feb-09
	Expiry Date	2023-Feb-09
	Registration Type/Number	SECURITY AGREEMENT/ 16020933009
	Debtors	HCA MOUNTAIN MINERALS (MOBERLY) LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	General
	Description	All present and after-acquired personal property of the debtor
2.	Encumbrance Type	LAND CHARGE
	Status	Current
	Registration Date	2016-Feb-09
	Expiry Date	Infinity
	Registration Type/Number	LAND CHARGE/ 16020933058
	Debtors	HCA MOUNTAIN MINERALS (MOBERLY) LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	-
	Description	-
3.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current



	Registration Date	2019-Nov-28
	Expiry Date	2026-Nov-28
	Registration Type/Number	SECURITY AGREEMENT/ 19112807173
	Debtors	HCA MOUNTAIN MINERALS (MOBERLY) LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	General
	Description	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
	Particulars	THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.
4.	Encumbrance Type	LAND CHARGE
	Status	Current
	Registration Date	2019-Nov-28
	Expiry Date	Infinity
	Registration Type/Number	LAND CHARGE/ 19112812622
	Debtors	HCA MOUNTAIN MINERALS (MOBERLY) LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	-
	Description	-
	Particulars	THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.

HEEMSKIRK CANADA HOLDINGS LIMITED

1.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2016-Feb-09
	Expiry Date	2023-Feb-09
	Registration Type/Number	SECURITY AGREEMENT/ 16020932593
	Debtors	HEEMSKIRK CANADA HOLDINGS LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	General
	Description	All present and after-acquired personal property of the debtor.
	Particulars	The complete address of debtor block 1 is as follows: c/o HCA Mountain Minerals (Moberly) Limited Suite 204, 1212-1st Street SE Calgary, AB T2G 2H8
2.	Encumbrance Type	LAND CHARGE
	Status	Current
	Registration Date	2016-Feb-09
	Expiry Date	Infinity
	Registration Type/Number	LAND CHARGE/ 16020932768
	Debtors	HEEMSKIRK CANADA HOLDINGS LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	-
	Description	-
	Particulars	The complete address of debtor block 1 is as follows: c/o HCA Mountain Minerals (Moberly) Limited

		Suite 204, 1212-1st Street SE Calgary, AB T2G 2H8
3.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2019-Nov-28
	Expiry Date	2026-Nov-28
	Registration Type/Number	SECURITY AGREEMENT/ 19112807199
	Debtors	HEEMSKIRK CANADA HOLDINGS LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	General
	Description	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
	Particulars	<p>1 THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.</p> <p>2 THE COMPLETE ADDRESS OF DEBTOR BLOCK 1 IS: C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED, SUITE 204, 1212-1ST STREET SE, CALGARY AB T2G 2H8</p>
4.	Encumbrance Type	LAND CHARGE
	Status	Current
	Registration Date	2019-Nov-28
	Expiry Date	Infinity
	Registration Type/Number	LAND CHARGE/ 19112812721
	Debtors	HEEMSKIRK CANADA HOLDINGS LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	General

	Description	THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.
	Particulars	<p>1 THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.</p> <p>2 THE COMPLETE ADDRESS OF DEBTOR BLOCK 1 IS: C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED, SUITE 204, 1212-1ST STREET SE, CALGARY AB T2G 2H8</p>

HEEMSKIRK CANADA LIMITED

1.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2016-Feb-09
	Expiry Date	2023-Feb-09
	Registration Type/Number	SECURITY AGREEMENT/ 16020932885
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	General
	Description	All present and after-acquired personal property of the debtor.
	Particulars	<p>The complete address of debtor block 1 is as follows:</p> <p>c/o HCA Mountain Minerals (Moberly) Limited Suite 204, 1212-1<sup>st</sup> Street SE Calgary, AB T2G 2H8</p>
2.	Encumbrance Type	LAND CHARGE

	Status	Current
	Registration Date	2016-Feb-09
	Expiry Date	Infinity
	Registration Type/Number	LAND CHARGE/ 16020932911
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	-
	Description	-
	Particulars	The complete address of debtor block 1 is as follows: c/o HCA Mountain Minerals (Moberly) Limited Suite 204, 1212-1 <sup>st</sup> Street SE Calgary, AB T2G 2H8
3.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2016-Feb-09
	Expiry Date	2023-Feb-09
	Registration Type/Number	SECURITY AGREEMENT/ 16020932986
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	General
	Description	(i) all Securities (as defined in the Personal Property Security Act (British Columbia)), Security Entitlements (as defined in the Personal Property Security Act (British Columbia)) and other equity interests issued by or with respect to HCA Mountain Minerals (Moberly) Limited in which the Debtor now or in the future has any right, title or interest, including all assets, property and undertaking related to such Securities, Security Entitlements and other equity interests (the "Pledged Property");

		<p>(ii) all certificates and instruments evidencing or representing the Pledged Property;</p> <p>(iii) all interest, dividends and distributions (whether in cash, kind or stock) received or receivable upon or with respect to any of the Pledged Property and all moneys or other property payable or paid on account of any return or repayment of capital with respect to any of the Pledged Property or otherwise distributed with respect thereto or which will in any way be charged to, or payable or paid out of, the capital of HCA Mountain Minerals (Moberly) Limited on account of any such Pledged Property;</p> <p>(iv) all other property that may at any time be received or receivable by or otherwise distributed to the Debtor with respect to, or in substitution for, or in exchange or replacement for, any of the foregoing; and</p> <p>(v) all proceeds of any of the foregoing.</p> <p>Proceeds: Goods, chattel paper, investment property, documents of title, instruments, money and intangibles.</p>
	Particulars	<p>The complete address of debtor block 1 is as follows:  c/o HCA Mountain Minerals (Moberly) Limited  Suite 204, 1212-1<sup>st</sup> Street SE  Calgary, AB  T2G 2H8</p>
4.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2017-Sep-14
	Expiry Date	2021-Sep-14
	Registration Type/Number	SECURITY AGREEMENT/ 17091428352
	Debtors	HEEMSKIRK CANADA LTD.
	Secured Party	<p>JACK CARTER CHEVROLET CADILLAC  BUICK GMC - 2017 CHEVY LTZ 1500 Motor Vehicle</p> <p>3GCUKSECXHG272749</p>

	Collateral	Serial Number Goods
	Description	3GTU2NEC1HG503507 2017 GMC Sierra MV - Motor Vehicle
5.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2019-Nov-28
	Expiry Date	2026-Nov-28
	Registration Type/Number	SECURITY AGREEMENT/ 19112807207
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	General
	Description	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
	Particulars	<p>1 THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.</p> <p>2 THE COMPLETE ADDRESS OF DEBTOR BLOCK 1 IS: C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED, SUITE 204, 1212-1<sup>ST</sup> STREET SE, CALGARY, AB T2G 2H8</p>
6.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2019-Nov-28
	Expiry Date	2026-Nov-28
	Registration Type/Number	SECURITY AGREEMENT/ 19112807214
	Debtors	HEEMSKIRK CANADA LIMITED

Secured Party	QMETCO LIMITED
Collateral	General
Description	<p>(I) ALL SECURITIES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)), SECURITY ENTITLEMENTS (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)) AND OTHER EQUITY INTERESTS ISSUED BY OR WITH RESPECT TO HCA MOUNTAIN MINERALS (MOBERLY) LIMITED IN WHICH THE DEBTOR NOW OR IN THE FUTURE HAS ANY RIGHT, TITLE OR INTEREST, INCLUDING ALL ASSETS, PROPERTY AND UNDERTAKING RELATED TO SUCH SECURITIES, SECURITY ENTITLEMENTS AND OTHER EQUITY INTERESTS (THE "PLEDGED PROPERTY");</p> <p>(II) ALL CERTIFICATES AND INSTRUMENTS EVIDENCING OR REPRESENTING THE PLEDGED PROPERTY;</p> <p>(III) ALL INTEREST, DIVIDENDS AND DISTRIBUTIONS (WHETHER IN CASH, KIND OR STOCK) RECEIVED OR RECEIVABLE UPON OR WITH RESPECT TO ANY OF THE PLEDGED PROPERTY AND ALL MONEYS OR OTHER PROPERTY PAYABLE OR PAID ON ACCOUNT OF ANY RETURN OR REPAYMENT OF CAPITAL WITH RESPECT TO ANY OF THE PLEDGED PROPERTY OR OTHERWISE DISTRIBUTED WITH RESPECT THERETO OR WHICH WILL IN ANY WAY BE CHARGED TO, OR PAYABLE OR PAID OUT OF, THE CAPITAL OF HCA MOUNTAIN MINERALS (MOBERLY) LIMITED ON ACCOUNT OF ANY SUCH PLEDGED PROPERTY;</p> <p>(IV) ALL OTHER PROPERTY THAT MAY AT ANY TIME BE RECEIVED OR RECEIVABLE BY OR OTHERWISE DISTRIBUTED TO THE DEBTOR WITH RESPECT TO, OR IN SUBSTITUTION FOR, OR IN EXCHANGE OR REPLACEMENT FOR, ANY OF THE FOREGOING; AND</p> <p>(V) ALL PROCEEDS OF ANY OF THE FOREGOING.</p>



		PROCEEDS: GOODS, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS. MONEY AND INTANGIBLES.
	Particulars	<p>1 THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.</p> <p>2 THE COMPLETE ADDRESS OF DEBTOR BLOCK 1 IS: C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED, SUITE 204, 1212-1<sup>ST</sup> STREET SE, CALGARY, AB T2G 2H8</p>
7.	Encumbrance Type	LAND CHARGE
	Status	Current
	Registration Date	2019-Nov-28
	Expiry Date	Infinity
	Registration Type/Number	LAND CHARGE/ 19112812603
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	-
	Description	-
	Particulars	<p>1 THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.</p> <p>2 THE COMPLETE ADDRESS OF DEBTOR BLOCK 1 IS: C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED, SUITE 204, 1212-1<sup>ST</sup> STREET SE, CALGARY, AB T2G 2H8</p>

**2. British Columbia PPR Registrations to be Discharged****HCA MOUNTAIN MINERALS (MOBERLY) LIMITED**

1.	Registration Date	FEB 09, 2016
	Expiry Date	FEB 09, 2023
	Base Registration Number	104174J
	Debtors	HCA MOUNTAIN MINERALS (MOBERLY) LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	General
	Description	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND.
2.	Registration Date	NOV 28, 2019
	Expiry Date	NOV 28, 2026
	Base Registration Number	919606L
	Debtors	HCA MOUNTAIN MINERALS (MOBERLY) LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	General
	Description	<p>ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND.</p> <p>THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.</p>

**HEEMSKIRK CANADA HOLDINGS LIMITED**

1.	Registration Date	FEB 09, 2016
	Expiry Date	FEB 09, 2023
	Base Registration Number	104165J
	Debtors	HEEMSKIRK CANADA HOLDINGS LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	General
	Description	<p>ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND.</p> <p>THE FULL ADDRESS FOR THE DEBTOR IS: HEEMSKIRK CANADA HOLDINGS LIMITED C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED SUITE 204, 1212-1<sup>ST</sup> STREET SE CALGARY, AB T2G 2H8</p>
2.	Registration Date	NOV 28, 2019
	Expiry Date	NOV 28, 2026
	Base Registration Number	919767L
	Debtors	HEEMSKIRK CANADA HOLDINGS LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	General
	Description	<p>ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND.</p> <p>THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.</p> <p>THE COMPLETE ADDRESS OF DEBTOR IS: HEEMSKIRK CANADA HOLDINGS LIMITED C/O HCA MOUNTAIN MINERALS (MOBERLY)</p>

	LIMITED, SUITE 204, 1212-1 <sup>ST</sup> STREET SE, CALGARY, AB T2G 2H8
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HEEMSKIRK CANADA LIMITED

1.	Registration Date	FEB 09, 2016
	Expiry Date	FEB 09, 2023
	Base Registration Number	104172J
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	General
	Description	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND. THE FULL ADDRESS FOR THE DEBTOR IS: HEEMSKIRK CANADA LIMITED C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED
2.	Registration Date	FEB 09, 2016
	Expiry Date	FEB 09, 2023
	Base Registration Number	104183J
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	TAURUS RESOURCES NO. 2 B.V.
	Collateral	General
	Description	(I) ALL SECURITIES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)), SECURITY ENTITLEMENTS (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)) AND OTHER EQUITY INTERESTS ISSUED BY OR WITH RESPECT TO HCA MOUNTAIN MINERALS (MOBERLY) LIMITED IN WHICH THE DEBTOR NOW OR IN THE FUTURE HAS ANY RIGHT, TITLE OR INTEREST, INCLUDING ALL ASSETS,

		<p>PROPERTY AND UNDERTAKING RELATED TO SUCH SECURITIES, SECURITY ENTITLEMENTS AND OTHER EQUITY INTERESTS (THE "PLEDGED PROPERTY");</p> <p>(II) ALL CERTIFICATES AND INSTRUMENTS EVIDENCING OR REPRESENTING THE PLEDGED PROPERTY;</p> <p>(III) ALL INTEREST, DIVIDENDS AND DISTRIBUTIONS (WHETHER IN CASH, KIND OR STOCK) RECEIVED OR RECEIVABLE UPON OR WITH RESPECT TO ANY OF THE PLEDGED PROPERTY AND ALL MONEYS OR OTHER PROPERTY PAYABLE OR PAID ON ACCOUNT OF ANY RETURN OR REPAYMENT OF CAPITAL WITH RESPECT TO ANY OF THE PLEDGED PROPERTY OR OTHERWISE DISTRIBUTED WITH RESPECT THERETO OR WHICH WILL IN ANY WAY BE CHARGED TO, OR PAYABLE OR PAID OUT OF, THE CAPITAL OF HCA MOUNTAIN MINERALS (MOBERLY) LIMITED ON ACCOUNT OF ANY SUCH PLEDGED PROPERTY;</p> <p>(IV) ALL OTHER PROPERTY THAT MAY AT ANY TIME BE RECEIVED OR RECEIVABLE BY OR OTHERWISE DISTRIBUTED TO THE DEBTOR WITH RESPECT TO, OR IN SUBSTITUTION FOR, OR IN EXCHANGE OR REPLACEMENT FOR, ANY OF THE FOREGOING; AND</p> <p>(V) ALL PROCEEDS OF ANY OF THE FOREGOING.</p> <p>PROCEEDS: GOODS, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY AND INTANGIBLES.</p> <p>THE FULL ADDRESS FOR THE DEBTOR IS: HEEMSKIRK CANADA LIMITED C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED SUITE 204, 1212-1<sup>ST</sup> STREET SE CALGARY, AB T2G 2H8</p>
3.	Registration Date	NOV 28, 2019

	Expiry Date	NOV 28, 2026
	Base Registration Number	919664L
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	General
	Description	<p>ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND.</p> <p>THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.</p> <p>THE COMPLETE ADDRESS OF DEBTOR IS: HEEMSKIRK CANADA LIMITED C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED, SUITE 204, 1212-1<sup>ST</sup> STREET SE, CALGARY, AB T2G 2H8</p>
4.	Registration Date	NOV 28, 2019
	Expiry Date	NOV 28, 2026
	Base Registration Number	919764L
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	QMETCO LIMITED
	Collateral	General
	Description	<p>(I) ALL SECURITIES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)), SECURITY ENTITLEMENTS (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)) AND OTHER EQUITY INTERESTS ISSUED BY OR WITH RESPECT TO HCA MOUNTAIN MINERALS (MOBERLY) LIMITED IN WHICH THE DEBTOR NOW OR IN THE FUTURE HAS ANY RIGHT, TITLE OR INTEREST, INCLUDING ALL ASSETS,</p>

	<p>PROPERTY AND UNDERTAKING RELATED TO SUCH SECURITIES, SECURITY ENTITLEMENTS AND OTHER EQUITY INTERESTS (THE "PLEDGED PROPERTY");</p> <p>(II) ALL CERTIFICATES AND INSTRUMENTS EVIDENCING OR REPRESENTING THE PLEDGED PROPERTY;</p> <p>(III) ALL INTEREST, DIVIDENDS AND DISTRIBUTIONS (WHETHER IN CASH, KIND OR STOCK) RECEIVED OR RECEIVABLE UPON OR WITH RESPECT TO ANY OF THE PLEDGED PROPERTY AND ALL MONEYS OR OTHER PROPERTY PAYABLE OR PAID ON ACCOUNT OF ANY RETURN OR REPAYMENT OF CAPITAL WITH RESPECT TO ANY OF THE PLEDGED PROPERTY OR OTHERWISE DISTRIBUTED WITH RESPECT THERETO OR WHICH WILL IN ANY WAY BE CHARGED TO, OR PAYABLE OR PAID OUT OF, THE CAPITAL OF HCA MOUNTAIN MINERALS (MOBERLY) LIMITED ON ACCOUNT OF ANY SUCH PLEDGED PROPERTY;</p> <p>(IV) ALL OTHER PROPERTY THAT MAY AT ANY TIME BE RECEIVED OR RECEIVABLE BY OR OTHERWISE DISTRIBUTED TO THE DEBTOR WITH RESPECT TO, OR IN SUBSTITUTION FOR, OR IN EXCHANGE OR REPLACEMENT FOR, ANY OF THE FOREGOING; AND</p> <p>(V) ALL PROCEEDS OF ANY OF THE FOREGOING.</p> <p>PROCEEDS: GOODS, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY AND INTANGIBLES.</p> <p>THE SECURITY INTEREST IS SUBJECT TO THE TERMS OF A PRIORITY DEED DATED ON OR ABOUT NOVEMBER 30, 2019 BETWEEN THE SECURED PARTY, AS SENIOR LENDER, THE DEBTOR, AND TAURUS RESOURCES NO. 2 B.V., AS SUBORDINATED LENDER.</p> <p>THE COMPLETE ADDRESS OF DEBTOR IS: HEEMSKIRK CANADA LIMITED C/O HCA MOUNTAIN MINERALS (MOBERLY) LIMITED,</p>
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	SUITE 204, 1212-1 <sup>ST</sup> STREET SE, CALGARY, AB T2G 2H8
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### **3. Alberta Land Titles Registrations to be Discharged**

None.

### **4. British Columbia Land Title Registrations to be Discharged**

Parcel Identifier: 029-224-861

Legal Description: LOT A SECTION 29 TOWNSHIP 28 RANGE 22 WEST OF THE 5<sup>TH</sup> MERIDIAN KOOTENAY DISTRICT PLAN EPP30862

1.	NATURE:	MORTGAGE
	REGISTRATION NO.:	CA5058473
	REGISTRATION DATE AND TIME:	2016-03-22, 15:54
	REGISTERED OWNER:	TAURUS RESOURCES NO. 2 B.V.
2.	NATURE:	ASSIGNMENT OF RENTS
	REGISTRATION NO.:	CA5058474
	REGISTRATION DATE AND TIME:	2016-03-22, 15:54
	REGISTERED OWNER:	TAURUS RESOURCES NO. 2 B.V.
3.	NATURE:	MORTGAGE
	REGISTRATION NO.:	CA8289187
	REGISTRATION DATE AND TIME:	2020-07-08, 15:00
	REGISTERED OWNER:	QMETCO LIMITED
4.	NATURE:	ASSIGNMENT OF RENTS
	REGISTRATION NO.:	CA8289188
	REGISTRATION DATE AND TIME:	2020-07-08, 15:00
	REGISTERED OWNER:	QMETCO LIMITED



## **SCHEDULE “C”**

### **PERMITTED ENCUMBRANCES**

Capitalized terms not defined in this schedule have the meanings set forth in the Sale Agreement.

**“Permitted Encumbrances”** means, as at the Closing Date:

- (a) unregistered liens for Taxes, assessments or similar charges incurred by a Vendor in the ordinary course of the Business that are not yet due and payable or that are not in arrears;
- (b) inchoate mechanic’s, construction and carrier’s liens and other similar liens arising by operation of law or statute in the ordinary course of the Business for obligations which are not delinquent and will be paid or discharged in the ordinary course of the Business;
- (c) unregistered Encumbrances of any nature claimed or held by Her Majesty The Queen in Right of Canada, Her Majesty The Queen in right of any province of Canada in which the Owned Lands or Leased Premises are located, or by any Governmental Authority under any Applicable Law, except for unregistered liens for unpaid realty Taxes, assessments and public utilities;
- (d) title defects which are of a minor nature and in the aggregate do not materially impair the value or use of the Owned Lands or the Leased Premises;
- (e) any right of expropriation conferred upon, reserved to or vested in Her Majesty The Queen in Right of Canada, Her Majesty The Queen in right of any province of Canada in which the Owned Lands or the Leased Premises are located, or by any Governmental Authority under any Applicable Law;
- (f) royalty agreements, zoning restrictions, easements and rights of way or other similar Encumbrances or privileges in respect of real property which in the aggregate do not materially impair the value or use of the Owned Lands or the Leased Premises for the Business and which are not violated in any respect by existing or proposed structures or land use;
- (g) Encumbrances created by others upon other lands over which there are easements, rights-of-way, licences or other rights of user in favour of the Owned Lands or Leased Premises and which do not materially impede the use of the easements, rights-of-way, licences or other rights of user for the purposes for which they are held;
- (h) any Encumbrance which the Purchaser has expressly agreed to assume or accept pursuant to the Sale Agreement;
- (i) the reservations, limitations, provisos, conditions, restrictions and exceptions in the letters patent or grant, as the case may be, from the Crown and statutory exceptions to title;
- (j) those instruments registered on title to the Owned Lands or against the leasehold interest of a Seller in the Leased Premises and described in the Disclosure Schedule;
- (k) Encumbrances registered in favour of ATB Financial in respect of ATB Claims, including those Encumbrances set out below in this Schedule; and
- (l) The Encumbrances listed below in this Schedule.

**1. Alberta PPR Registrations to Remain****CUSTOM BULK SERVICES INC.**

1.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2012-Aug-03
	Expiry Date	2022-Aug-03
	Registration Type/Number	SECURITY AGREEMENT/ 12080315794
	Debtors	CUSTOM BULK SERVICES INC.
	Secured Party	ALBERTA TREASURY BRANCHES
	Collateral	General
	Description	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

**HCA MOUNTAIN MINERALS (MOBERLY) LIMITED**

1.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2019-Apr-26
	Expiry Date	2021-Apr-26
	Registration Type/Number	SECURITY AGREEMENT/ 19042602245
	Debtors	HCA MOUNTAIN MINERALS (MOBERLY) LIMITED
	Secured Party	RCAP LEASING INC.
	Collateral	General
	Description	ALL WIRELESS COMMUNICATION EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER

		FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.
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HEEMSKIRK CANADA LIMITED

1.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2011-Aug-26
	Expiry Date	2021-Aug-26
	Registration Type/Number	SECURITY AGREEMENT/ 11082612805 as amended by: 14040911883; 15070638641; 15071029726; 15071435786; 16051217637; 16051224947
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	CANADIAN IMPERIAL BANK OF COMMERCE
	Collateral	General
	Description	All deposit accounts of the debtor held at Canadian Imperial Bank of Commerce, including all cash and other financial assets credited thereto. Proceeds: goods, securities, instruments, documents of title, chattel paper, intangibles, all as defined in the Personal Property Security Act of Alberta and regulations thereunder, derived directly or indirectly from any dealings with the original collateral.
2.	Particulars	The complete address of the Secured Party is:  Canadian Imperial Bank of Commerce Commercial Sales and Service Centre 595 Bay Street, Suite 500 Toronto, ON M5G 2C2
	Encumbrance Type	SECURITY AGREEMENT
	Status	Current

	Registration Date	2017-Sep-14
	Expiry Date	2021-Sep-14
	Registration Type/Number	SECURITY AGREEMENT/ 17091428352
	Debtors	HEEMSKIRK CANADA LTD.
	Secured Party	JACK CARTER CHEVROLET CADILLAC BUICK GMC - 2017 CHEVY LTZ 1500 Motor Vehicle  3GCUKSECXHG272749
	Collateral	Serial Number Goods
	Description	3GTU2NEC1HG503507 2017 GMC Sierra MV - Motor Vehicle
3.	Encumbrance Type	SECURITY AGREEMENT
	Status	Current
	Registration Date	2018-Feb-06
	Expiry Date	2028-Feb-06
	Registration Type/Number	SECURITY AGREEMENT/ 18020635821
	Debtors	HEEMSKIRK CANADA LIMITED
	Secured Party	ATB FINANCIAL
	Collateral	General
	Description	ALL OF THE DEBTOR'S PRESENT AND AFTER- ACQUIRED PERSONAL PROPERTY AND PROCEEDS.

## **2. British Columbia PPR Registrations to Remain**

### **HCA MOUNTAIN MINERALS (MOBERLY) LIMITED**

1.	Registration Date	APR 26, 2019
	Expiry Date	APR 26, 2021

	Base Registration Number	458680L
	Debtors	HCA MOUNTAIN MINERALS (MOBERLY) LIMITED
	Secured Party	RCAP LEASING INC.
	Collateral	General
	Description	ALL WIRELESS COMMUNICATION EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.

### **3. Alberta Land Titles Registrations to Remain**

Title Number: 972 302 793

Legal Description: PLAN 8020947 LOT 2 EXCEPTING THROUGHOUT ALL MINES AND MINERALS

Registration Number	Date (D/M/Y)	Particulars
062 384 277	29/08/2006	Mortgage Mortgagee – Alberta Treasury Branches Original Principal Amount: \$313,000
122 268 071	16/08/2012	Mortgage Mortgagee – Alberta Treasury Branches Original Principal Amount: \$1,300,000
132 194 298	27/06/2013	Amending Agreement Amount: \$2,700,000 Affects Instrument: 122 268 071

Title Number: 972 302 794

Legal Description: PLAN 9120596 LOT 7 EXCEPTING THROUGHOUT ALL MINES AND MINERALS

Registration Number	Date (D/M/Y)	Particulars
062 384 277	29/08/2006	Mortgage Mortgagee – Alberta Treasury Branches Original Principal Amount: \$313,000
122 268 071	16/08/2012	Mortgage Mortgagee – Alberta Treasury Branches Original Principal Amount: \$1,300,000
132 194 298	27/06/2013	Amending Agreement Amount: \$2,700,000 Affects Instrument: 122 268 071