NO. B-180585
ESTATE NO. 11-2427899
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
BASIN MINE LIMITED PARTNERSHIP

ORDER MADE AFTER APPLICATION
(APPROVAL AND VESTING ORDER)

BEFORE THE HONOURABLE JUSTICE SEWELL	)))	FRIDAY, THE 5th DAY OF OCTOBER, 2018

THE APPLICATION of Basin Mine Limited Partnership ("**BMLP**") coming on for hearing at Vancouver, British Columbia, on the 5th day of October, 2018; AND ON HEARING H. Lance Williams, counsel for BMLP, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the Report of the Proposal Trustee dated October 3, 2018 (the "**Report**");

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application is hereby abridged and properly returnable today.

2. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated October 3, 2018 (the "**Sale Agreement**") between BMLP, by its general partner 1025 and Pioneer Sand and Gravel Ltd. (the "**Purchaser**"), a copy of which is attached as **Schedule "B"** hereto is hereby authorized and approved. The execution of the Sale Agreement by BMLP is hereby authorized and approved, and BMLP is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the

Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Assets**").

3. Capitalized terms used but not otherwise defined in this Order shall have the meanings ascribed to them in the Sale Agreement.

4. Upon delivery by Ernst &Young Inc., in its capacity as proposal trustee of BMLP, to the Purchaser of a certificate substantially in the form attached as **Schedule "C"** hereto (the "**Trustee's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**", and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. For the purposes of determining the nature and priority of Claims, the Purchase Price shall stand in the place and stead of the Purchased Assets, and from and after the Closing Date all Claims shall attach to the Purchase Price 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 had possession or control immediately prior to the sale.

6. Notwithstanding:

   (a) these proceedings;

   (b) any applications for a bankruptcy order in respect of BMLP now or hereafter made pursuant to the *Bankruptcy and Ins*olvency Act and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of BMLP,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of BMLP and shall not be void or voidable by creditors of BMLP, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

7. BMLP or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

8. Endorsement of this Order by counsel appearing on this application, other than counsel for BMLP, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of H. Lance Williams
(Cassels Brock & Blackwell LLP)
Lawyer for Basin Mine Limited Partnership

BY THE COURT

REGISTRAR IN BANKRUPTCY

CHECKED BB
form only

Schedule A – List of Counsel

NAME	PARTY REPRESENTED
Nil	

Schedule B – Sale Agreement

ASSET PURCHASE AGREEMENT

THIS AGREEMENT dated as of the 3rd day of October, 2018 is between:

BASIN MINE LIMITED PARTNERSHIP, a limited partnership pursuant to the laws of British Columbia,

(the "**Seller**")

AND

PIONEER SAND AND GRAVEL LTD., a body corporate pursuant to the laws of British Columbia,

(the "**Buyer**")

BACKGROUND

A. The Seller owns and operates the Business and owns or holds under valid license or lease the Assets.

B. On October 3, 2018 the Seller filed a notice of intention to make a proposal under the BIA.

C. The Seller has agreed to sell, and the Buyer has agreed to buy, the Assets on the terms set out in this Agreement.

AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each Party acknowledges, the Parties agree as follows:

PART 1
INTERPRETATION

1.1 **Defined Terms**. In this Agreement:

(a) "**Assets**" means collectively the Seller's right, title and interest in and to the equipment, machinery, parts, tools, accessories and other tangible personal property listed in **Schedule "A"** hereto (the "**Equipment**"), together with the Inventory, and the Seller's rights under the Licenses, the Letter of Credit and the Mining Agreement;

(b) "**Basin Mine Lands**" means those lands more particularly described in **Schedule "D"** hereto, the rights to which are held by the Seller under License of Occupation No. 347182, as may be amended or modified from time to time;

(c) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

(d) "**Business**" means the coal extraction and processing activities carried on by the Seller or its predecessors at the Basin Mine Lands;

(e) "**Business Day**" means any day from Monday to Friday, inclusive, except for any day that is a statutory holiday in British Columbia;

(f) "**Closing Date**" has the meaning given in paragraph 9.1;

(g) "**Consents**" has the meaning given in paragraph 8.1 (d);

(h) "**Court**" means the Supreme Court of British Columbia;

(i) "**Environmental Laws**" means any applicable federal, provincial, municipal or local laws, regulations, orders, governmental decrees or ordinances concerning environmental, health or safety matters;

(j) "**Governmental Authority**" means any Canadian (whether federal, territorial, provincial, municipal or local), international or foreign government, governmental authority, quasi-governmental authority, court, self-regulatory organization, commission, tribunal or organization, or any agent, subdivision, department or branch of any of the foregoing;

(k) "**Hazardous Substances**" means any pollutant, contaminant, waste, special or hazardous waste, toxic or hazardous substance or material which, when released into the natural environment is likely to cause harm or risk to the natural environment or to human or animal health, including without limitation, any substance considered hazardous under Environmental Laws;

(l) "**Inventory**" means the stockpiled coal, raw materials, work in progress, and replacement parts of or relating to the Business;

(m) "**Letter of Credit**" means the letter of credit reference no. MBT03392750S dated July 27, 2011 in the sum of $276,547 issued by Bank of Montreal;

(n) "**Licenses and Permits**" means the licences, permits, registrations, consents and other rights entered into or obtained by the Seller from any Governmental Authority with respect to the Business or any of the Assets listed in **Schedule "C"** hereto;

(o) "**Mining Agreement**" means the Mining Agreement between the Seller and Pacific West Coal Ltd. dated April 28, 2011, as amended and supplemented from time to time;

(p) "**Mining Agreement Consent**" has the meaning given in paragraph 8.1 (c);

(q) "**Parties**" means the Seller and the Buyer, and their respective successors and assigns, and "**Party**" means any one of the Parties;

(r) "**Permitted Encumbrances**" means the encumbrances, if any, listed in **Schedule "B"**;

(s) "**Person**" means an individual, a corporation, a society, a partnership, a government or any government department or agency, a trustee, any unincorporated organization, and includes the heirs and legal representatives of an individual;

(t) "**Proceeding**" means the proceedings commenced by the Seller in the Court pursuant to the BIA;

(u) "**Purchase Price**" has the meaning given in paragraph 2.2;

(v) :**Reclamation Trust Account**" means the trust account to be established pursuant to the terms of the Mining Agreement;

(w) "**Trustee**" means the proposal trustee appointed by the Court in the Proceeding; and

(x) "**Vesting Order**" has the meaning given in paragraph 8.1(a).

1.2 **Schedules.** The following attached Schedules form part of this Agreement:

Schedule "A"	Assets
Schedule "B"	Permitted Encumbrances
Schedule "C"	Licenses and Permits
Schedule "D"	Basin Mine Lands

PART 2
AGREEMENT TO SELL AND CONSIDERATION

2.1 **Agreement to Sell.** The Seller will sell, and the Buyer will buy, all of the Seller's rights, title and interest in and to the Assets on the terms set out in this Agreement.

2.2 **Calculation of Purchase Price.** The Purchase Price for the Assets will be calculated as follows:

	Asset	Value
(a)	the Mining Agreement, Licences and Permits:	$226,444
(b)	Equipment:	$95,000
(c)	Inventory:	$4,999
(d)	the Letter of Credit (net of reclamation costs):	$1.00
LESS:		
	Cost of Reclamation Trust Account:	$126,444
TOTAL ("**Purchase Price**")		**$200,000**

2.3 **Payment of Purchase Price.** The Purchase Price will be paid in full by solicitors trust cheque or wire transfer on the Closing Date.

PART 3
TAXES

3.1 **Taxes.** The Buyer will pay all taxes payable upon the purchase of the Assets. Each of the Buyer and Seller will make the election provided for by section 167 of the *Excise Tax Act* (Canada) in the prescribed form, and the Buyer will file such election within the prescribed time. If the Buyer is not a registrant under the *Excise Tax Act* (Canada) it will pay all goods and services tax payable in respect of the purchase of the Assets to the Seller on the Closing Date.

PART 4
REPRESENTATIONS

4.1 **Representations of the Seller.** The Seller represents and warrants to the Buyer as follows:

(a) **Status of Seller.** The Seller is an existing corporation under the laws of British Columbia, is in good standing with respect to the filing of annual returns with the

Registrar of Companies, has the power and capacity to dispose of the Assets and to enter into this Agreement and carry out its terms.

(b) **Canadian Residency.** The Seller is a resident in Canada within the meaning of the *Income Tax Act* (Canada) and on the Closing Date shall not be a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

4.2 **Representations of the Buyer.** The Buyer represents and warrants to the Seller as follows:

(a) **Status of the Buyer.** The Buyer is an existing corporation under the laws of British Columbia and is in good standing with the Registrar of Companies.

(b) **Capacity.** The Buyer has the right and authority to enter into this Agreement on the terms and conditions set out herein and has duly passed all corporate resolutions necessary to authorize the transactions contemplated by this Agreement. This Agreement constitutes a valid and binding obligation of the Buyer.

(c) **Governmental Authorization.** Except as expressly referred to in this Agreement, the execution, delivery and performance of this Agreement by the Buyer requires no action by, consent or approval of, or filing with, any Governmental Authority.

(d) **GST Registrant.** The Buyer is a registrant for purposes of the *Excise Tax Act* (Canada) and the Buyer's registration number is 84631-3203-RT0001.

PART 5
RESPONSIBILITY FOR LIABILITIES AND OBLIGATIONS

5.1 **Assumed Liabilities and Obligations.** With effect from the Closing Date, the Buyer shall assume and be solely responsible for all obligations and liabilities which are to be observed, performed or paid from and after the Closing Date under:

(a) the Mining Agreement,

(b) the obligation to establish the Reclamation Trust Account;

(c) the Licences and Permits;

(d) the Letter of Credit; and

(e) any other contract, agreement or obligation specifically agreed to be assumed by the Buyer in this Agreement or subsequently between the Buyer and the Seller in writing;

and the Buyer shall indemnify and hold harmless the Seller from and against any losses, costs, damages, liabilities and fees (including, without limitation, reasonable legal fees) suffered or incurred by the Seller as a result of, or arising out of, the failure of the Buyer to perform or pay and of the obligations and liabilities referred to in this paragraph 5.1.

PART 6
TITLE TO THE ASSETS

6.1 **Title to the Assets.** As more particularly described in this Agreement, title to the Assets will be transferred to the Buyer by way of the Vesting Order in the Proceeding free and clear of any financial encumbrances but subject to the Permitted Encumbrances.

6.2 **Acknowledgement.** The Buyer acknowledges that:

(a) the Seller is selling the Assets strictly on an "as is, where is" basis as they exist on the Closing Date, and that the Buyer's completion of the transaction contemplated herein constitutes the Buyer's acknowledgment that it has satisfied itself as to all matters relating to the physical condition of the Assets. No representation, warranty or condition by the Seller is expressed or implied as to title, encumbrances, environmental liabilities, description, fitness for purpose, merchantability, assignability, condition, quantity or quality or in any respect of any other matter or thing whatsoever concerning the Assets or the right of the Seller to sell the Assets. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to any applicable statute, including without limitation, the *Sale of Goods Act* (British Columbia) or other similar legislation, do not apply hereto and are hereby waived by the Buyer. The description of the Assets set out herein is for the purpose of identification only and no representation, warranty or condition has or will be given by the Seller concerning the completeness or accuracy of such descriptions;

(b) the Assets have been used for the Business, and that such use can be expected to have resulted in environmental liabilities including, without limitation, the presence of contamination and/or Hazardous Substances at, on or under the Basin Mine Lands or such contamination and/or Hazardous Substances potentially affecting neighbouring properties, water bodies or other areas; and

(c) it assumes all of the Seller's reclamation obligations relating to the Basin Mine Lands and agrees that, although the Letter of Credit was obtained to secure the cost of such reclamation, there is no assurance that the proceeds of the Letter of Credit will be sufficient to pay all of the costs incurred in such reclamation.

6.3 **Insurance.** The Seller and the Buyer will use commercially reasonable efforts to transfer any insurance policies held by the Seller in relation to the Business and the Assets, to the Buyer.

PART 7
COURT APPROVAL

7.1 **Court Approval.** The Buyer acknowledges and agrees that until this Agreement is approved by the Court in the Proceeding, the Seller's obligation in connection with this Agreement is limited to considering it and, if accepted by the Seller, putting the Agreement before the Court for approval.

PART 8
CONDITIONS PRECEDENT

8.1 **Conditions Precedent to the Parties' Obligations.** The obligations of each of the parties under this Agreement are subject to the fulfilment, prior to or on the Closing Date, of the following conditions:

(a) the Seller obtaining and receiving from the Court a vesting order in a form acceptable to the Parties (the "**Vesting Order**") which:

(i) approves this Agreement and the sale of the Assets to the Buyer in accordance with this Agreement;

(ii) vests title in the Assets in the Buyer free and clear of all liens, security interests and other encumbrances save and except for the Permitted Encumbrances; and

(iii) contains such other terms and conditions as may ordinarily be contained in a vesting order;

(b) the Seller not being restrained or enjoined from completing the sale of the Assets by a court of competent jurisdiction or the filing or registration of any document preventing the Seller from transferring title to the Assets to the Buyer;

(c) the representations and warranties of the parties set out in this Agreement shall be true , accurate and not misleading as at the Closing Date with reference to the facts and circumstances then existing;

(d) the consent to the assignment of the Mining Agreement has been obtained from Pacific West Coal Ltd. (the "**Mining Agreement Consent**");

(e) subject to paragraph 8.2, all consents to the assignment of the Licences and Permits and to the Letter of Credit (collectively, the "**Consents**") have been obtained from the appropriate Governmental Authorities or other Persons on terms reasonably satisfactory to the Parties; and

(f) all documents listed in paragraphs 9.3 and 9.4 shall have been received by the Buyer and the Seller, respectively.

8.2 Consents. If, by the Closing Date, despite the commercially reasonable best efforts of the Parties, all Consents have not been obtained, the closing will occur as set out in paragraph 9.1 on the following terms:

(a) the payment of the Purchase Price and the delivery of the documents set out in paragraphs 9.3 and 9.4 will be exchanged pursuant to those paragraphs;

(b) subject to subparagraph (c) below, the Buyer will have title, possession and control of the Assets pursuant to the Vesting Order and the terms of this Agreement;

(c) the Seller will hold any of the Licences and Permits or the Letter of Credit for which a Consent has not been obtained in trust for the benefit of the Buyer;

(d) the Parties will continue to use their commercially reasonable best efforts to obtain any outstanding Consents as quickly as possible;

(e) the Buyer will pay the Purchase Price to the Trustee on the condition that:

(i) the Purchase Price be held in trust until all Consents have been obtained;

(ii) once the outstanding Consents have been obtained the Trustee will release the Purchase Price to or to the order of the Seller; and

(iii) if any Consent is ultimately denied and all appeals of such denial have been exhausted, the Trustee will return the Purchase Price less the sum of $1.00 to the Buyer and will pay the sum of $1.00 to the Seller and thereafter the sale and purchase of the Assets will be deemed to have been completed pursuant to the terms of this Agreement.

8.3 **Waiver of Conditions**. Each of the conditions set out in paragraph 8.1 may be waived, in whole or in part, by the parties at or prior to the Closing Date, by a written waiver to that effect signed by the Parties.

8.4 **Binding Agreement**. The Seller and the Buyer acknowledge and agree that although their respective obligations to complete the sale and purchase contemplated by this Agreement is subject to the satisfaction or waiver of the conditions precedent set forth in paragraph 8.1:

(a) those conditions precedent are not conditions to there being a binding agreement between the Seller and the Buyer with respect to the Assets; and

(b) this Agreement is not void, voidable, revocable or, except for default, otherwise capable of being terminated by any of the Parties until the time limited for the satisfaction or waiver of such conditions precedent has expired.

PART 9
CLOSING

9.1 **Completion.** The sale will be completed two (2) days following the satisfactory completion or waiver of the conditions precedent set out in paragraphs 8.1 and 8.2, subject to the Parties agreeing to an earlier or later date (the "**Closing Date**").

9.2 **Closing.** The closing will take place at the offices of DLA Piper (Canada) LLP, at 2800 - 666 Burrard Street, Vancouver, BC on the Closing Date, or on such other date or at such other place as may be mutually agreed upon in writing by the Parties.

9.3 **Documents and Assets to be Delivered by the Seller**. At the closing the Seller will deliver, or cause to be delivered, to the Buyer:

(a) the Vesting Order;

(b) the Seller's election under section 167 of the *Excise Tax Act* in the prescribed form;

(c) the Mining Agreement Consent;

(d) such Consents as are then available;

(e) letters to the appropriate Government Authorities and other Persons, jointly executed by the Seller and the Buyer, authorizing the transfer of the Licenses and Permits and the Letter of Credit hereunder; and

(f) all other deeds of conveyance, bills of sale, transfers, and assignments reasonably required by the Buyer, and in form and content satisfactory to each of the Parties' solicitors, appropriate to effect the assignment, transfer and sale of the Assets as contemplated in this Agreement.

9.4 **Deliveries by the Buyer**. On the Closing Date the Buyer will deliver, or cause to be delivered, to the Seller and Trustee:

(a) To the Trustee, payment of the Purchase Price;

(b) To the Seller:

(i) letters to the appropriate Government Authorities and other persons, jointly executed by the Seller, authorizing the transfer of the Licenses hereunder;

(ii) the Buyer's election under section 167 of the *Excise Tax Act* in the prescribed form; and

(iii) such other documents reasonably required by the Seller, and in a form and content satisfactory to each of the Parties' solicitors, to evidence the payment of the Purchase Price and the transfer and sale of the Assets as contemplated in this Agreement.

9.5 **Terms of Closing**. Closing shall not be completed, nor shall the documents tabled for delivery on the Closing Date be delivered, until all conditions of closing (including the deliveries contemplated by this Part 9) have been fulfilled or waived.

9.6 **Transfer Fees and Taxes**. In addition to the Purchase Price, all taxes, fees or costs payable with respect to transfer of title to the Assets to the Buyer and to registration of such transfer shall be for the account of the Buyer. All costs of clearing any charges or encumbrances affecting the Assets, other than the Permitted Encumbrances, shall be for the account of the Seller.

9.7 **Business Transition**. The Seller agree that it will provide reasonable assistance to the Buyer to transition the suppliers and business relationships in the operation of the Business from the Seller to the Buyer and the Seller will make available on a part time basis for a period of 60 days from the Closing Date, such of its personnel to provide this assistance. The Buyer will reimburse the Seller for any out of pocket expenses and costs (including wages of employees) incurred in connection with providing such assistance, but the Seller will not be paid any administration or other fees for providing this assistance.

PART 10
RISK AND DAMAGE

10.1 **Risk**. Up to the Closing Date, any risk of loss or damage by fire or other cause to the Assets will remain with the Seller. The Seller is not required to maintain any insurance relating to the Assets, but if there is such insurance the Seller will hold any insurance policies or compensation policies, if any, and any proceeds of any insurance policies or compensation, in trust for the Seller and the Buyer.

10.2 **Damage**. In the event of damage to the Assets, the Buyer will complete the purchase and sale of the Assets, in which event any insurance proceeds or other compensation proceeds paid or payable with respect to the Assets will be assigned or paid by the Seller to the Buyer, and the Purchase Price will be reduced to the extent that any such proceeds do not compensate for the repair or replacement cost of the Assets damaged or destroyed, provided that the Seller must agree to the amount of any reduction to the Purchase Price.

PART 11
GENERAL

11.1 **Further Assurances**. The Parties will execute and deliver all other appropriate supplemental agreements and other instruments, and take any other action necessary, to give full effect to this Agreement, and to make this Agreement legally effective, binding, and enforceable as between them, and as against third parties.

11.2 **Binding Agreement**. This Agreement will bind and benefit each of the Parties including their respective successors and permitted assigns.

11.3 **Expenses**. Each Party will pay any expense it incurs in authorizing, executing, and performing this Agreement and any transaction contemplated by it, whether or not that transaction is completed, including any fee and expense of its legal counsel, banker, investment banker, broker, accountant, or other consultant.

11.4 **Assignment.** The Seller may not assign this Agreement without the prior consent of the Buyer. The Buyer may assign this Agreement, in whole or in part, to an affiliate (as defined in the *Business Corporations Act* (British Columbia)) on written notice to the Seller. The Buyer may not otherwise assign this Agreement without the prior consent of the Seller.

11.5 **Counterparts.** This Agreement may be signed by original or by facsimile and executed in any number of counterparts, and each executed counterpart will be considered to be an original. All executed counterparts taken together will constitute one agreement.

11.6 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties and there are no representations or warranties, express or implied, statutory or otherwise and no agreements collateral to this Agreement other than as expressly set out or referred to in this Agreement.

11.7 **Gender and Number.** Words in one gender include all genders, and words in the singular include the plural and vice versa.

11.8 **Governing Law and Jurisdiction.** This Agreement will be governed by and construed in accordance with British Columbia law and applicable Canadian law and will be treated in all respects as a British Columbia contract. The Parties agree to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

11.9 **Time.** Time will be of the essence.

11.10 **Expiry of Time Period.** In this Agreement, if any period ends on a day other than a Business Day, that period will be extended to the next following Business Day.

11.11 **Notices.** In this Agreement:

(a) any notice or communication required or permitted to be given under the Agreement will be in writing and will be considered to have been given if delivered by hand or transmitted by facsimile transmission to the address or facsimile transmission number of each Party set out below:

(i) if to the Seller:

Basin Mine Limited Partnership
Unit 9 - 1790 KLO Road
Kelowna, BC V1W 3P6

Attention: Kerry Leong

Facsimile No. 250-868-6559

(ii) if to the Buyer:

Pioneer Sand and Gravel Ltd.
200-1021 Ellis Street
Kelowna, BC V1WY 1Z3

Attention: Bruce Kitsch, General Manager

Facsimile No. 250-769-5477

or to such other address or facsimile transmission number as any Party may designate in the manner set out above;

(b) any notice or communication will be considered to have been received:

(i) if delivered by hand during business hours on a Business Day, upon receipt by a responsible representative of the Seller, and if not delivered during business hours, upon the commencement of business on the next Business Day; and

(ii) if sent by facsimile transmission during business hours on a Business Day, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the commencement of business on the next Business Day.

11.12 **Confidentiality**. Neither the Seller nor the Buyer will, without the prior written consent of the other, disclose the Purchase Price or any of the other terms and conditions of this Agreement to any other Person other than to its respective bankers, solicitors and financial advisors, or otherwise as required to carry out its obligations under this Agreement or by law.

[*Signature Page Follows*]

TO EVIDENCE THEIR AGREEMENT each of the Parties has executed this Agreement as of the date set out above.

BASIN MINE LIMITED PARTNERSHIP, by its

General Partner, 1025194 B.C. Ltd.
By:

____
Authorized Signatory

PIONEER SAND AND GRAVEL LTD.
By:

____
Authorized Signatory

SCHEDULE "A"
ASSETS

Code	Description	Year	Serial No.
BU1235-20	Site Shop		Unknown
ED1201-20	DCS 25000 gal Tidy Tank/Skid	2012	57853
ED1202-20	10' Container - Electrical		TROU 7155652-7432
ED1262-20	10' x 22' Washroom Trailer		Unknown
ED1263-20	CTB500 Clean Burn Multi Oil Furnace w/Chimney	2012	AS-676089
ED1264-20	500 Gallon WB Tank (for ED1263 Furnace)	2012	Unknown
ED1265-20	Franklin 90JS5S4-PE 575V Pump & Parts		Unknown
ED1266-20	DCS 25000 L Tidy Tank / Generator Skid	2012	52038
ED1267-20	Boiler for Wash Plant		00380600302PV
ED1268-20	DCS 2250 L Tidy Tank	2012	62565
ED1269-20	DCS 45000 L Tidy Tank/Skid	2012	64661
ED1270-20	VEGA SHLD1 / MINITRAC 31 Nuclear Density Detector		Unknown
ED1272-20	Franklin 25JS30 3HP 575V Submersible Pump	2013	93772534 / 2343362604
ED1273-20	Arctic Raptor Electrofusion Pro 220V	2013	A30671
ES1222-20	DVSystems G25TD 25HP 575V WP Gen Cmprssr	2013	37976
GE1226-20	Mitsubishi S16R 1650KW Diesel Generator	2005	10025
GE1227-20	Mitsubishi S16R 1650KW Diesel Generator	2005	10026
JC179-18	office structure with JC and Northern 10 ft. x40 ft. portable office trailers and structure		104007164608
PU510-18	2008 CHEVROLET Silverado 2500 HD LTZ 4WD gas crew cab pickup truck with 2 2009 633L Enviroslip fuel tanks	2008	1GCHK23K28F124401
ME1202-20	1998 JD 4.5L Powertech Generator	1998	T04045D750400
ME1230-20	SIEMENS Tiastar 600V Motor Control Centre	2012	Unknown
WASH20	Parnaby 250 TPH Capacity Cyclone Coal Rewash Plant	2012	Multiple

SCHEDULE "B"
PERMITTED ENCUMBRANCES

NIL

SCHEDULE "C"
LICENSES AND PERMITS

1. Licence of Occupation No. 347182 dated February 11, 2014, as may be replaced, modified otherwise amended.

2. Mining Permit No. C-217 dated August 25, 2000, as may be replaced, modified otherwise amended.

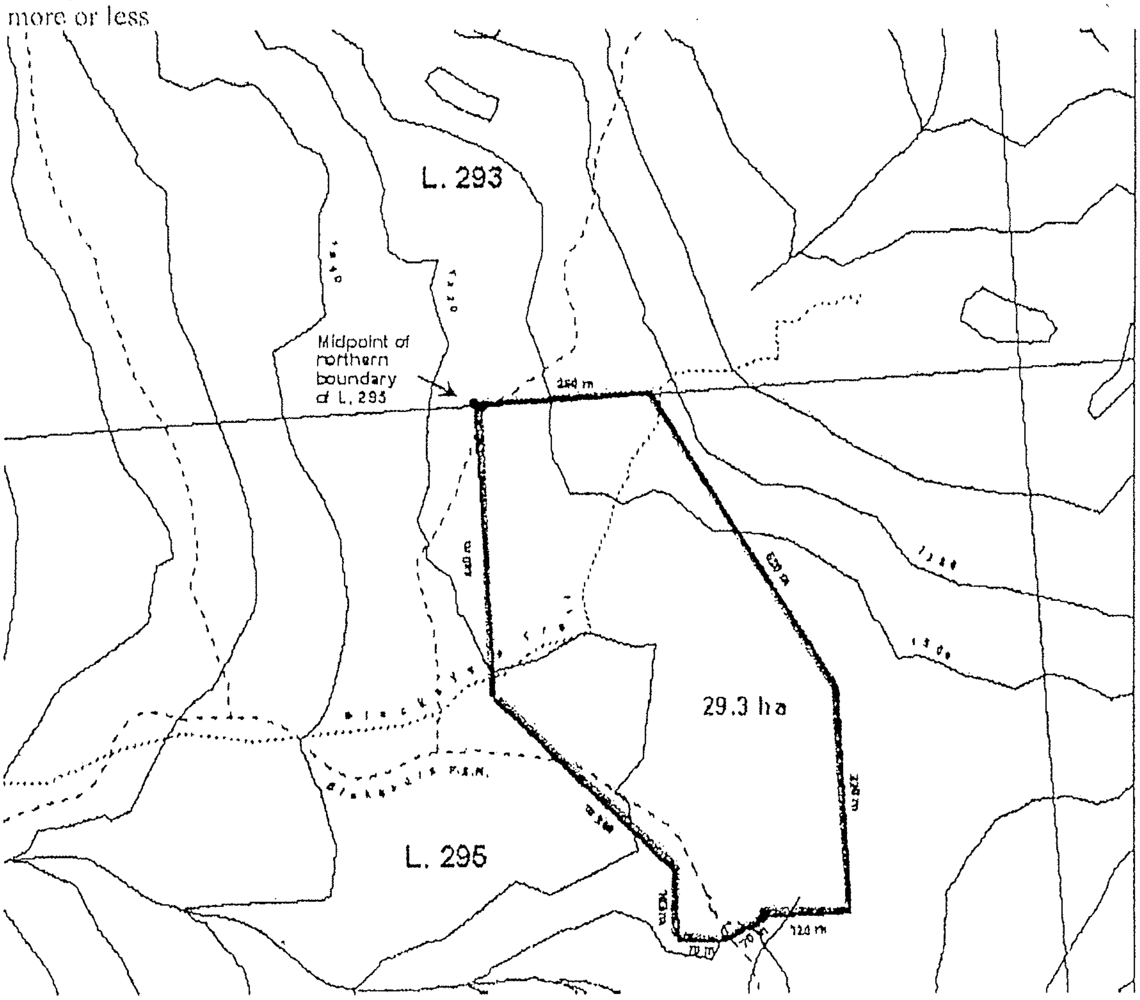
LETTER OF CREDIT

Letter of Credit reference no. MBT03392750S dated July 27, 2011 in the sum of $276,547 issued by Bank of Montreal.

SCHEDULE "D"

BASIN MINE LANDS

That part of the East 1/2 of District Lot 295, Yale Division of Yale District containing 29.3 hectares, more or less



Schedule C – Trustee's Certificate

NO. B-180585
ESTATE NO. 11-2427899
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
BASIN MINE LIMITED PARTNERSHIP

TRUSTEE'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ● of the British Columbia Supreme Court (the "**Court**") dated ●, 2018, Ernst & Young Inc., was appointed as proposal trustee (the "**Trustee**") of Basin Mine Limited Partnership ("**BMLP**").

B. Pursuant to an Order of the Court dated ●, 2018, the Court approved the offer to purchase dated June ●, 2018 (the "**Sale Agreement**") between BMLP and Pioneer Sand and Gravel Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser and its assignees of BMLP's 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 Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; and (ii) the Transaction has been completed to the satisfaction of the Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.

2. The Transaction has been completed to the satisfaction of the Trustee.

3. This Certificate was delivered by the Trustee at _____ [a.m./p.m.] on _______, 2018.

Ernst & Young Inc., in its capacity as proposal trustee of Basin Mine Limited Partnership and not in its personal capacity

Per
: ______________________________
Name:
Title:

NO. B-180585
ESTATE NO. 11-2427899
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
BASIN MINE LIMITED PARTNERSHIP

ORDER MADE AFTER APPLICATION
(APPROVAL AND VESTING ORDER)

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File No. 50706-1 LW/dm