

COURT FILE NUMBER 25-2979735 B201-979735
 COURT COURT OF KING'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY



C120289

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY* Dec 15, 2023
ACT, R.S.C. 1985, c B-3, AS AMENDED COM

AND IN THE MATTER OF THE NOTICE OF INTENTION
 TO MAKE A PROPOSAL OF GRIFFON PARTNERS
 OPERATION CORPORATION, GRIFFON PARTNERS
 HOLDING CORPORATION, GRIFFON PARTNERS
 CAPITAL MANAGEMENT LTD., STELLION LIMITED,
 2437801 ALBERTA LTD., 2437799 ALBERTA LTD., 2437815
 ALBERTA LTD., and SPICELO LIMITED

APPLICANTS GRIFFON PARTNERS OPERATION CORPORATION,
 GRIFFON PARTNERS HOLDING CORPORATION,
 GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.,
 STELLION LIMITED, 2437801 ALBERTA LTD., 2437799
 ALBERTA LTD., 2437815 ALBERTA LTD., and SPICELO
 LIMITED

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE **OSLER, HOSKIN & HARCOURT LLP**
 AND CONTACT Suite 2700, Brookfield Place
 INFORMATION OF 255 – 6th Avenue SW
 PARTY FILING THIS Calgary, AB T2P 1N2
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 Matter: 1247318

NOTICE TO THE RESPONDENTS

This application is made against you.

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

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

Date: December 15, 2023

Time: 2:00 p.m.

Where: By Webex:

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

Before Whom: The Honourable Justice Jeffrey in Commercial Chambers

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

Remedy claimed or sought:

1. The applicants, Griffon Partners Operation Corporation, Griffon Partners Holding Corporation, Griffon Partners Capital Management Ltd., Stellion Limited, 2437801 Alberta Ltd., 2437799 Alberta Ltd., 2437815 Alberta Ltd., and Spicelo Limited (“**Spicelo**”) (collectively, the “**Applicants**”), seek an Order substantially on the terms attached hereto as **Schedule “A”**, *inter alia*:
 - (a) abridging the time for service of notice of this Application (if necessary), deeming service of notice of this Application to be good and sufficient, and declaring that there is no other person who ought to have been served with notice of this Application;
 - (b) extending the time within which the Applicants are required to file a proposal to their creditors with the Official Receiver under section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) to February 6, 2024 (the “**Stay Period**”); and
 - (c) granting such further and other relief as the Applicants may request and this Honourable Court may grant.

Grounds for making this application:

Background

2. On August 25, 2023, the Applicants filed Notices of Intention to Make a Proposal (the “**NOI Proceedings**”) with the Office of the Superintendent of Bankruptcy Canada pursuant to section 50.4(1) of the BIA. Alvarez & Marsal Canada Inc. was appointed Proposal Trustee in each NOI Proceeding (the “**Proposal Trustee**”).
3. On September 22, 2023, the Applicants brought an application (the “**First Stay Extension Application**”) to the Alberta Court of King’s Bench (the “**Court**”) for an Order: (i) extending the time for the Applicants to file a proposal to November 8, 2023, (ii) administratively consolidating the Applicants’ estates, (iii) granting an Administration Charge and a Directors and Officers Charge (“**D&O Charge**”), (iv) authorizing the Applicants to make certain pre-filing payments, and (v) approving the Applicants’ engagement of Alvarez & Marsal Canada Securities ULC (the “**Transaction Agent**”) to run a sale or investment solicitation process.
4. The First Stay Extension Application was opposed by Trafigura Canada Limited and Signal Alpha C4 Limited (collectively, the “**Lenders**”) who also brought a cross-application (the “**Receivership Application**”) to terminate these NOI Proceedings as against Spicelo and appoint a Receiver over Spicelo.
5. On September 22, 2023, the Court granted the Applicants’ First Stay Extension Application in full (with the exception only of the D&O Charge). The Court did not grant the Receivership Application.
6. On October 18, 2023, following an application by the Applicants, which application was again opposed by the Lenders, the Court granted an Order approving a sale and investment solicitation process (“**SISP**”) and authorizing the Applicants, the Transaction Agent and the Proposal Trustee to implement the SISP in accordance with the terms thereof (the “**SISP Order**”).

7. Pursuant to the SISP and the SISP Order: (i) the SISP process is to start on October 25, 2023, (ii) the deadline for non-binding letters of intent (“**LOIs**”) is December 12, 2023, and (iii) the final bid deadline is January 8, 2024. Since the beginning of the SISP, the Transaction Agent, in consultation with the Applicants and the Proposal Trustee, have, and are continuing to: (i) distribute the initial public offering summary (the “**Teaser**”) and confidentiality and nondisclosure agreement (“**NDA**”) directly to Prospective Bidders (as defined in the SISP), (ii) publish the SISP in the Globe & Mail, BOE Report and Daily Oil Bulletin, among others, for any other interested parties to participate in the SISP, (iii) collect executed NDAs (each Prospective Bidder now a “**Qualified Bidder**”), (iv) compile and upload materials for the virtual data room (“**VDR**”), (v) provide Qualified Bidders access to the VDR, and (vi) encourage parties to submit non-binding letters of intent by the December 12, 2023 deadline.
8. On November 8, 2023, the Applicants brought an application (the “**Second Stay Extension Application**”) to the Court for an Order: (i) extending the time for the Applicants to file a proposal to December 23, 2023, (ii) approving a key employee retention plan and charge (“**KERP Charge**”), and (iii) approving the fees and disbursements of the Proposal Trustee and its counsel.
9. The Court granted the Applicants’ Second Stay Extension Application in full (with the exception only of the KERP Charge).
10. The Stay Period in respect of the Applicants is presently scheduled to expire on December 23, 2023.

Extension of the Stay Period

11. The Applicants are seeking to extend the Stay Period up to and including February 6, 2024. The extension of the Stay Period is necessary to allow the SISP to conclude for the benefit of the Applicants’ stakeholders. In particular, the extension is necessary to permit interested parties to submit non-binding LOIs and final bids by the December 12, 2023 and January 8, 2023 deadlines under the SISP, and thereafter to consummate and close a transaction arising from the SISP.

12. The Applicants have acted, and continue to act, in good faith and with due diligence in these NOI Proceedings. Since the granting of the last extension of the stay by Order of the Honourable Justice Sidnell, granted November 8, 2023, the Applicants have worked diligently with their advisors to conduct the SISP. The Applicants have also: (a) continued consulting with the Lenders regarding various operational and financial matters impacting the Applicants; (b) maintained regular communications with applicable regulators, contractual counterparties, royalty holders, suppliers and creditors regarding these NOI Proceedings; (c) negotiated NDAs with prospective bidders and engaged in due diligence with Qualified Bidders; and (d) explored pricing and options for hedging in respect to the Lenders' request for same.
13. The extension of the Stay Period is necessary and appropriate in the circumstances. The Proposal Trustee supports the requested stay extension.

Material or evidence to be relied on:

14. The Affidavit of Daryl Stepanic, sworn on December 4, 2023;
15. The Affidavit of Daryl Stepanic, sworn on October 30, 2023;
16. The Affidavit of Daryl Stepanic, sworn on October 10, 2023;
17. The Affidavit of Daryl Stepanic, sworn September 14, 2023;
18. The Fourth Report of the Proposal Trustee, to be filed;
19. The Reports of the Proposal Trustee previously filed in these proceedings; and
20. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

21. Rules 1.2, 1.3, 6.3 and 11.27 of the *Alberta Rules of Court*, Alta Reg 124/2010;
22. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and

23. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

24. None.

How the application is proposed to be heard or considered:

25. Before the Honourable Justice Jeffery in Commercial Chambers via Webex.

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 time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

Clerk's Stamp

COURT FILE NUMBER 25-2979735

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GRIFFON PARTNERS OPERATION CORPORATION, GRIFFON PARTNERS HOLDING CORPORATION, GRIFFON PARTNERS CAPITAL MANAGEMENT LTD., STELLION LIMITED, 2437801 ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA LTD., and SPICELO LIMITED

APPLICANTS GRIFFON PARTNERS OPERATION CORPORATION, GRIFFON PARTNERS HOLDING CORPORATION, GRIFFON PARTNERS CAPITAL MANAGEMENT LTD., STELLION LIMITED, 2437801 ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA LTD., and SPICELO LIMITED

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **OSLER, HOSKIN & HARCOURT LLP**
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Matter: 1247318

DATE ON WHICH ORDER WAS PRONOUNCED: December 15, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Jeffrey

UPON THE APPLICATION of Griffon Partners Operation Corporation, Griffon Partners Holding Corporation, Griffon Partners Capital Management Ltd., Stellion Limited, 2437801 Alberta Ltd., 2437799 Alberta Ltd., 2437815 Alberta Ltd., and Spicelo Limited (collectively, the “**Applicants**”); **AND UPON** reviewing the Affidavit of Daryl Stepanic, sworn December 4, 2023; **AND UPON** reviewing the Fourth Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of the Applicants (in such capacity, the “**Proposal Trustee**”); **AND UPON** noting that each of the Applicants filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) on August 25, 2023, which have been administratively consolidated pursuant to the Order of Madam Justice B. Johnston granted on September 22, 2023; **AND UPON** hearing from counsel for the Applicants, counsel for the Proposal Trustee and any other counsel or other interested parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of Application for this Order is hereby abridged and deemed good and sufficient and this Application is properly returnable today, and no other person apart from those persons served is entitled to service of the Application.

EXTENSION OF TIME TO FILE A PROPOSAL

2. The time within which the Applicants are required to file a proposal to their creditors with the Official Receiver under section 50.4(9) of the BIA is hereby extended to February 6, 2024.

MISCELLANEOUS

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

Justice of the Court of King’s Bench of Alberta