



COURT FILE NUMBER **B201-979735**  
~~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

NB  
C110042

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

Solicitors: Randal Van de Mosselaer / Emily Paplawski  
Phone: 403.260.7000 / 7071  
Email: [rvandemosselaer@osler.com](mailto:rvandemosselaer@osler.com) / [epaplawski@osler.com](mailto:epaplawski@osler.com)  
Matter: 1247318

COURT FILE NUMBER

25-2979721

B201 979725

25-2979725

25-2979732

25-2979735

25-2979736

25-2979737

25-2979738

25-2979739



COURT

COURT OF KING'S BENCH OF ALBERTA

C91171

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

**APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

**OSLER, HOSKIN & HARCOURT LLP**

Suite 2700, Brookfield Place

255 – 6th Avenue SW

Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer / Emily Paplawski

Phone: 403.260.7000 / 7071

Email: [rvandemosselaer@osler.com](mailto:rvandemosselaer@osler.com) / [epaplawski@osler.com](mailto:epaplawski@osler.com)

Matter: 1247318

COURT FILE NUMBER 25-2979721 B201 979732  
25-2979725  
**25-2979732**  
25-2979735  
25-2979736  
25-2979737  
25-2979738  
25-2979739



COURT COURT OF KING'S BENCH OF ALBERTA

C91179

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 **APPLICATION**

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

Solicitors: Randal Van de Mosselaer / Emily Paplawski  
Phone: 403.260.7000 / 7071  
Email: [rvandemosselaer@osler.com](mailto:rvandemosselaer@osler.com) / [epaplawski@osler.com](mailto:epaplawski@osler.com)  
Matter: 1247318

COURT FILE NUMBER 25-2979721 B201 979736  
25-2979725  
25-2979732  
25-2979735  
**25-2979736**  
25-2979737  
25-2979738  
25-2979739



COURT COURT OF KING'S BENCH OF ALBERTA

C91185

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 **APPLICATION**

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

Solicitors: Randal Van de Mosselaer / Emily Paplawski  
Phone: 403.260.7000 / 7071  
Email: [rvandemosselaer@osler.com](mailto:rvandemosselaer@osler.com) / [epaplawski@osler.com](mailto:epaplawski@osler.com)  
Matter: 1247318

COURT FILE NUMBER 25-2979721 B201 979737  
25-2979725  
25-2979732  
25-2979735  
25-2979736  
**25-2979737**  
25-2979738  
25-2979739



COURT COURT OF KING'S BENCH OF ALBERTA

C91188

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 **APPLICATION**

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

Solicitors: Randal Van de Mosselaer / Emily Paplawski  
Phone: 403.260.7000 / 7071  
Email: [rvandemosselaer@osler.com](mailto:rvandemosselaer@osler.com) / [epaplawski@osler.com](mailto:epaplawski@osler.com)  
Matter: 1247318

COURT FILE NUMBER 25-2979721 B201 979739  
25-2979725  
25-2979732  
25-2979735  
25-2979736  
25-2979737  
25-2979738  
**25-2979739**



COURT COURT OF KING'S BENCH OF ALBERTA

C91195

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 **APPLICATION**

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

Solicitors: Randal Van de Mosselaer / Emily Paplawski  
Phone: 403.260.7000 / 7071  
Email: [rvandemosselaer@osler.com](mailto:rvandemosselaer@osler.com) / [epaplawski@osler.com](mailto:epaplawski@osler.com)  
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: September 22, 2023

Time: 10:00 a.m.

Where: By Webex:

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

Before Whom: The Honourable Justice B. Johnston 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 (“**GPOC**”), Griffon Partners Holding Corporation (“**GPHC**”), Griffon Partners Capital Management Ltd. (“**GPCM**”), Stellion Limited (“**Stellion**”), 2437801 Alberta Ltd. (“**2437801**”), 2437799 Alberta Ltd. (“**2437799**”), 2437815 Alberta Ltd. (“**2437815**”), and Spicelo Limited (“**Spicelo**” and 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 November 8, 2023 (the “**Stay Period**”);
  - (c) granting Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of the Applicants (in such capacity, the “**Proposal Trustee**”), legal counsel to the

Proposal Trustee, and legal counsel to the Applicants, as security for their respective professional fees and disbursements incurred in preparing for and during these Consolidated Proposal Proceedings, and both before and after the granting of this Order, a charge (the “**Administration Charge**”) on all of the Applicants’ present and after-acquired assets, property and undertakings (the “**Property**”), in the maximum amounts of \$500,000;

- (d) granting the directors and officers of the Applicants (the “**Directors and Officers**”) a charge (the “**D&O Charge**”) on all of the Property, which D&O Charge shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in the Order;
- (e) declaring that the Administration Charge and D&O Charge (collectively, the “**BIA Charges**”) are priority charges that rank ahead of any and all charges, security interests, liens, trusts, deemed trusts and encumbrances against the Property, including liens and trusts created by federal and provincial legislation, and that the BIA Charges rank, as between themselves, in the following order of priority:
  - (i) First, the Administration Charge;
  - (ii) Second, the D&O Charge;
- (f) approving the Engagement Letter between Alvarez & Marsal Canada Securities ULC (the “**Refinancing Advisor**”) and GPOC, dated September 11, 2023 (the “**Engagement Letter**”);
- (g) authorizing the Applicants, *nunc pro tunc*, with the consent of the Proposal Trustee to make payments up to a maximum aggregate amount of \$1,000,000 for goods or services supplied to the Applicants prior to the Filing Date (as defined below) if, in the opinion of the Applicants, and with the consent of the Proposal Trustee, the supplier or vendor of such goods or services is determined by the Applicants to be necessary to its ongoing operations and/or restructuring efforts;

- (h) directing that the proposal proceedings and estates of the Applicants shall be procedurally consolidated and shall continue under a single estate (each individual estate being an “**Estate**”, and the consolidated estate being the “**Consolidated Estate**”), authorizing and directing the Proposal Trustee (defined below) to administer the Estates making up the Consolidated Estate on a consolidated basis, and granting ancillary relief arising from the procedural consolidation of the Estates (the “**Consolidated Proposal Proceeding**”); and
  - (i) such further and other relief as the Applicants may request and this Honourable Court may grant.
2. The Applicants also seek an Order substantially on the terms attached hereto as **Schedule “B”**, *inter alia*:
- (a) directing that the Engagement Letter be sealed by the Clerk of the Court, and no persons other than the parties (and their respective successors and assigns), their counsel and Court personnel be given access; and
  - (b) such further and other relief as the Applicants may request and this Honourable Court may grant.

**Grounds for making this application:**

***Background***

3. GPCM, GPHC, and GPOC (collectively, the “**Griffon Entities**”) are private corporations existing under the laws of the Province of Alberta. The Griffon Entities’ business is focused on the exploration and development of light oil and natural gas liquids in the Viking formation in western Saskatchewan and eastern Alberta.
4. The Griffon Entities are directly or indirectly owned by four shareholders corporations - Stellion, 2437801, 2437799, and 2437815 (collectively, the “**Shareholder Corporations**”) who are, in turn, wholly-owned by four of the Directors of the Griffon Entities.

5. Spicelo is an investment company extra provincially registered in Alberta and owned by one of the Directors of the Griffon Entities.
6. All of the Applicants are either borrowers or guarantors of all obligations of GPOC under a Loan Agreement dated July 21, 2022 (as amended by First Amending Agreement to the Griffon Partners Operation Corp. Loan Agreement, made effective as of August 31, 2022, and as may be further amended, restated, supplemented, or otherwise modified from time to time, the “**Amended Credit Agreement**”).
7. As the result of: (a) significant cost overruns in a drilling program caused largely by unprecedented weather conditions in November 2022 and global supply chain issues; (b) severely constrained commodity production volumes caused by a failed drilling program and shut-in production volumes; and (c) certain other issues encountered by the Griffon Entities in late 2022 and 2023, the Griffon Entities have been unable to meet their obligations under, among other things, the Amended Credit Agreement.
8. On August 16, 2023, Trafigura Canada Limited and Signal Alpha C4 Limited (collectively, the “**Lenders**”) served each of the Applicants with Demands for Payment and Notices of Intention to Enforce Security pursuant to s. 244 of the BIA.
9. In order to preserve the value of the business and the value of the security for the benefit of all stakeholders, the Applicants filed Notices of Intention to Make a Proposal under the BIA on August 25, 2023.

### ***Procedural Consolidation***

10. The Applicants form a closely connected group of corporations. An Order procedurally consolidating the Estates will allow the Estates to be managed more efficiently and economically, which is necessary and appropriate to: (a) enable the Court to efficiently determine common questions of fact and law between the parties; (b) clarify the issues and claims being advanced by parties as they relate to the same transaction or series of transactions; (c) ensure consistency and avoid the possibility of conflicting decisions; and (d) facilitate the efficient and economic resolution of the Applicants’ restructuring proceedings.

*Extension of the Stay Period*

11. The Applicants require an extension of the Stay Period to November 8, 2023.
12. As discussed further in the Affidavit of Daryl Stepanic, sworn September 14, 2023, both the Griffon Entities and Greenfire Resources Inc. (“**Greenfire**”) (the shares of which form part of the security package securing GPOC’s obligations under the Amended Credit Agreement) are at critical junctures. Greenfire is days away from implementing a significant and complex business combination approved by its securityholders and the Alberta Court of King’s Bench and from an initial public offering on the New York Stock Exchange which will result in significant additional value which will accrue to other of the Applicants’ stakeholders (the Lenders being fully secured against the Applicants’ property). The Griffon Entities have engaged the Refinancing Advisor to assist them in identifying, negotiating and finalizing a value maximizing transaction to right size their balance sheet and refinance GPOC’s obligations under the Amended Credit Agreement. Also, the Griffon Entities are poised to acquire an additional 9,500 boe/d for very little, if any, immediate capital output, thereby putting them into the position of having an implementable, cash flow positive business plan.
13. All processes are expected to generate significant value. The requested extension of the Stay Period is necessary and appropriate in the circumstances to allow the foregoing processes to be completed for the benefit of all stakeholders.
14. The Applicants have acted, and continue to act, in good faith and with due diligence since filing the NOIs on August 25, 2022. The Lenders are, by their own admission, over collateralized and face little to no risk. No creditor will be materially prejudiced by the requested Stay Extension.
15. The Proposal Trustee supports the requested Stay Extension.

*Administration Charge*

16. The Applicants request that this Honourable Court grant of a first-ranking Administration Charge in the amount of \$500,000.

17. The Applicants require the services of their counsel, the Proposal Trustee and the Proposal Trustee's counsel in the Consolidated Proposal Proceeding. Such professionals are integral to the Applicants' chances of successfully developing a viable proposal. In order to ensure their continued participation in these Consolidated Proposal Proceedings, the Administration Charge should be granted to secure their fees and disbursements. The proposed Administration Charge is reasonable and appropriate in the circumstances.

### ***The D&O Charge***

18. The Applicants' existing D&O Policy expired on September 1, 2023. The Applicants have not, to date, been able to secure ongoing insurance coverage for their directors and officers.
19. The Applicants' directors and officers will play a critical role in their restructuring efforts. Such individuals have the institutional and technical knowledge, experience and relationships necessary to preserve the value of the Applicants' business and maximize the chances of a successful restructuring, all for the benefit of the Applicants' stakeholders.
20. The D&O Charge is reasonable and appropriate in the circumstances and critical to the success of the Applicants' restructuring proceedings.

### ***Approval of the Engagement Letter***

21. The Applicants request that the Engagement Letter be approved. The assistance of the Refinancing Advisor to locate, negotiate and finalize a transaction to right size the Applicants' current capital structure and refinance their debt obligations (including to the Lenders) will be critical to the Applicants' ongoing efforts to finalize a proposal for consideration by their creditors. The Refinancing Advisor is qualified and capable of performing the required tasks, and the terms of the Engagement Letter are fair and reasonable in the circumstances.

### ***Restricted Court Access***

22. The Applicants request that the Engagement Letter be sealed on the Court file and not form part of the public record. The Engagement Letter contains confidential information relating to the professional fee rates charged by the Refinancing Advisor for its services which

information is commercially sensitive, highly competitive and could cause significant harm to the Refinancing Advisor's interests if disclosed.

23. The Restricted Court Access Order sought by the Applicants is as narrow as possible and only seeks to maintain the confidentiality of the Refinancing Advisor's rates. The scope of the proposed order is proportionate and restricted only to what is necessary to protect the important competitive and commercial interests of the Refinancing Advisor. There are no reasonable alternatives to a Restricted Court Access Order that will prevent the risks of disclosure. The benefits of the requested Restricted Court Access Order outweigh the risks.

***Payments During the Proceedings***

24. The Applicants are requesting authorization, to make payments (with the consent of the Proposal Trustee) for goods or services actually supplied to them prior to the filing of the NOIs by third-party suppliers or service providers up to a maximum aggregate amount of \$1,000,000 if, in the opinion of the Applicants (and with the consent of the Proposal Trustee), the supplier or service provider is critical to the Applicants' restructuring efforts.

**Material or evidence to be relied on:**

25. The Affidavit of Daryl Stepanic, sworn September 14, 2023, to be filed;
26. The Affidavit of Kenneth Morris, to be sworn and filed;
27. Bench Brief of the Applicants, to be filed;
28. The First Report of the Proposal Trustee, to be filed; and
29. Such further and other material as counsel may advise and this Honourable Court may permit.

**Applicable Acts and regulations:**

30. Rules 1.2, 1.3, 3.2(2)(d), 3.8, 11.27 and 13.5 of the Alberta *Rules of Court*, Alta Reg 124/2010;

31. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
32. 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:**

33. None.

**How the application is proposed to be heard or considered:**

34. Before the Honourable Justice Johnston 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"**

**Draft Order**

COURT FILE NUMBER 25-2979721  
25-2979725  
25-2979732  
25-2979735  
25-2979736  
25-2979737  
25-2979738  
25-2979739

Clerk's Stamp

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**

Suite 2700, Brookfield Place  
255 – 6th Avenue SW  
Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer / Emily Paplawski  
Phone: 403.260.7000 / 7071  
Email: [rvandemosselaer@osler.com](mailto:rvandemosselaer@osler.com) / [epaplawski@osler.com](mailto:epaplawski@osler.com)  
Matter: 1247318

**DATE ON WHICH ORDER WAS PRONOUNCED:** September 22, 2023

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

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice B. Johnston

**UPON THE APPLICATION** of Griffon Partners Operation Corporation (“**GPOC**”), Griffon Partners Holding Corporation (“**GPHC**”), Griffon Partners Capital Management Ltd. (“**GPCM**”), Stellion Limited (“**Stellion**”), 2437801 Alberta Ltd. (“**2437801**”), 2437799 Alberta Ltd. (“**2437799**”), 2437815 Alberta Ltd. (“**2437815**”), and Spicelo Limited (“**Spicelo**”) (collectively, the “**Applicants**”); **AND UPON** reviewing the Affidavit of Daryl Stepanic, sworn September 14, 2023 (the “**Stepanic Affidavit**”) and the Affidavit of Kenneth Morris; **AND UPON** reviewing the First 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 (the “**Filing Date**”); **AND UPON** hearing submissions by counsel for the Applicants, counsel for the Proposal Trustee and any other counsel or other interested parties present;

**IT IS HEREBY ORDERED THAT:**

#### **SERVICE**

1. The time for service of the application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the application.

#### **PROCEDURAL CONSOLIDATION**

2. The bankruptcy estates of the Applicants GPOC (Estate No. 25-2979735), GPHC (Estate No. 25-2979736), GPCM (Estate No. 25-2979737), Stellion (Estate No. 25-2979739), 2437801 (Estate No. 25-2979725), 2437799 (Estate No. 25-2979721), 2437815 (Estate No. 25-2979732), and Spicelo (Estate No. 25-2979738) (each individually an “**Estate**”) shall, subject to further order of the Court, be procedurally consolidated into one estate (the

“**Consolidated Estate**”) and shall continue under Estate No. 25-2979735 (with the proceeding in respect thereof being the “**Consolidated Proposal Proceeding**”).

3. Without limiting the generality of the foregoing, the Proposal Trustee is hereby authorized and directed to administer the Consolidated Estates on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities as proposal trustee under the BIA as if the Consolidated Estate were a single estate and the Consolidated Proposal Proceeding were a single proceeding under the BIA, including without limitation:
  - (a) the meeting of creditors of the Applicants may be convened and conducted jointly, and the votes of creditors (for procedural purposes) at such meeting shall be calculated on a consolidated basis;
  - (b) the Proposal Trustee is authorized to issue consolidated reports in respect of the Applicants; and
  - (c) the Proposal Trustee is authorized to deal with all filings and notices relating to the proposal proceedings of the Applicants, each as required under the BIA, on a consolidated basis.
4. Any pleadings or other documents served or filed in the Consolidated Proposal Proceeding by any party shall be deemed to have been served or filed in each of the proceedings comprising the Consolidated Proposal Proceeding.
5. A copy of this Order shall be filed by the Applicants in the Court file for each of the Estates but any subsequent document required to be filed will be hereafter only be required to be filed in the Consolidated Estate (Estate No. 25-2979735).
6. The procedural consolidation of the Estates pursuant to this Order shall not:
  - (a) affect the legal status or corporate structure of the Applicants; or
  - (b) cause any Applicant to be liable for any claim for which it is otherwise not liable or cause any Applicant to have an interest in an asset to which it otherwise would not have.

7. The Estates are not substantively consolidated, and nothing in this Order shall be construed to that effect.
8. The Proposal Trustee may apply to this Court for advice and directions with respect to the implementation of this Order or with respect to any other matter relating to the procedural consolidation of the Consolidated Estate.

#### **ADMINISTRATION CHARGE**

9. Legal counsel to the Applicants, the Proposal Trustee and legal counsel for the Proposal Trustee, as security for their respective professional fees and disbursements incurred in preparing for and during these Consolidated Proposal Proceedings, and both before and after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a security and charge (the “**Administration Charge**”) on all of the Applicants’ present and after-acquired assets, property and undertakings (the “**Property**”), which charge shall not exceed \$500,000.

#### **D&O INDEMNIFICATION AND CHARGE**

10. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers after the Filing Date, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director or officer’s gross negligence or willful misconduct.
11. Each of the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**D&O Charge**”) on all of the Property, which shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in this Order.

#### **PRIORITY OF CHARGES**

12. The filing, registration or perfection of the Administration Charge and the D&O Charge (collectively, the “**Charges**”) shall not be required, and the Charges shall be enforceable for all purposes, including as against any right, title or interest filed,

registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

13. The Charges shall constitute a security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person (collectively, the “**Encumbrances**”). The ranking as between the Charges shall be as follows:
  - (a) first, the Administration Charge; and
  - (b) second, the D&O Charge.
14. Except as otherwise provided herein, or as may be approved by this Honourable Court, the Applicants shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants obtain the prior written consent of the beneficiaries of the Charges (the “**Chargees**”) or further order of this Court.
15. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by:
  - (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
  - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
  - (d) the provisions of any federal or provincial statutes; or
  - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement

(collectively, an “**Agreement**”) that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which they, or any one of them, is a party;
- (ii) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (iii) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

#### **EXTENSION OF TIME TO FILE A PROPOSAL**

16. 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 November 8, 2023.

#### **APPROVAL OF THE RETAINER AGREEMENT**

17. The Engagement Letter between Alvarez & Marsal Canada Securities ULC (the “**Refinancing Advisor**”) and GPOC, dated September 11, 2023, and attached at Exhibit “X” to the Stepanic Affidavit (the “**Engagement Letter**”), and the transactions contemplated thereunder, are hereby approved and authorized, and the execution of the Engagement Letter by GPOC is hereby approved and authorized with such minor amendments as GPOC, with the consent of the Proposal Trustee, and the Refinancing Advisor may agree. The Applicants are authorized and directed to take any and all

actions as may be necessary or desirable to implement the Engagement Letter and each of the transactions contemplated therein.

#### **PAYMENTS DURING THE PROCEEDINGS**

18. The Applicants are entitled, *nunc pro tunc*, with the consent of the Proposal Trustee, but not required, to make payments up to a maximum aggregate amount of \$1,000,000 of obligations for goods or services supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants, and after consultation with the Proposal Trustee, the supplier or vendor of such goods or services is determined by the Applicants to be necessary to its ongoing operations and/or restructuring efforts.

#### **MISCELLANEOUS**

19. 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

**Schedule "B"**

**Draft Restricted Access Order**

COURT FILE NUMBER 25-2979721  
25-2979725  
25-2979732  
25-2979735  
25-2979736  
25-2979737  
25-2979738  
25-2979739

Clerk's Stamp

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 **RESTRICTED COURT ACCESS ORDER**

ADDRESS FOR **OSLER, HOSKIN & HARCOURT LLP**

SERVICE AND Suite 2700, Brookfield Place  
CONTACT 255 – 6th Avenue SW  
INFORMATION OF Calgary, AB T2P 1N2

PARTY FILING THIS DOCUMENT

Solicitors: Randal Van de Mosselaer / Emily Paplawski  
Phone: 403.260.7000 / 7071  
Email: [rvandemosselaer@osler.com](mailto:rvandemosselaer@osler.com) / [epaplawski@osler.com](mailto:epaplawski@osler.com)  
Matter: 1247318

**DATE ON WHICH ORDER WAS PRONOUNCED:** September 22, 2023

**NAME OF JUDGE WHO MADE THIS ORDER:** The Honourable Justice B. Johnston

**LOCATION OF HEARING:** Calgary, Alberta (by WebEx)

**UPON THE APPLICATION** of Griffon Partners Operation Corporation and the other Applicants named herein (collectively, the “**Applicants**”) for an order sealing the Confidential Engagement Letter dated September 11, 2023 (the “**Confidential Engagement Letter**”) appended as Confidential Exhibit “Y” to the Affidavit of Daryl Stepanic, sworn September 14, 2023 (the “**Stepanic Affidavit**”); **AND UPON** reviewing the Stepanic Affidavit, the Affidavit of Kenneth Morris, and the First Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of the Applicants (“**Proposal Trustee**”); **AND UPON** hearing submissions by 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:**

1. The Confidential Engagement Letter shall be sealed on the Court file and shall not form part of the public record, notwithstanding Division 4, Part 6 of the Alberta *Rules of Court*.
2. The Clerk of this Honourable Court shall file the Confidential Engagement Letter in a sealed envelope, and the Confidential Engagement Letter and envelope shall each have attached to them a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY  
GRIFFON PARTNERS OPERATION CORPORATION WHICH IS  
SEALED PURSUANT TO THE RESTRICTED COURT ACCESS ORDER  
OF THE HONOURABLE JUSTICE B. JOHNSTON GRANTED  
SEPTEMBER 22, 2023.

3. Leave is hereby granted to any person, entity or party affected by paragraphs 1 and 2 of this Restricted Court Access Order to apply to this Court for a further Order vacating, substituting, modifying, or varying the terms of this Restricted Court Access Order, with such application to be brought on notice to the Applicants.
4. The Applicants are at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Restricted Court Access Order.
5. The Applicants shall serve by courier, fax transmission, email transmission or ordinary post, a copy of this Restricted Court Access Order on all parties present at this application

and on all parties who are presently on the service list established in these proceedings and such service shall be deemed good and sufficient for all purposes.

---

Justice of the Court of King's Bench of Alberta