

COURT FILE / ESTATE NUMBERS 25-2954304
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COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY



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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FREE REIN RESOURCES LTD.

DOCUMENT **Order (Approval of Administration Charge and Extension of Time to File Proposal)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTIES FILING THIS DOCUMENT

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File No. 077501-00003

DATE ON WHICH ORDER WAS PRONOUNCED: July 11, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice K. Feth

UPON THE APPLICATION of Free Rein Resources Ltd. ("**Free Rein**") filed July 5, 2023; AND UPON reading Affidavit No. 1 of Terry McCallum sworn July 4, 2023 ("**McCallum Affidavit No. 1**"); AND UPON hearing submissions by counsel for Free Rein and any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

SERVICE

1. The time for service of the notice of 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 notice of application.
2. Capitalized terms not otherwise defined in this Order shall have the meaning set forth in McCallum Affidavit No. 1.

ADMINISTRATION CHARGE

3. Legal counsel to Free Rein, Burnet, Duckworth & LLP, FTI Consulting Canada Inc. in its capacity as Proposal Trustee and the Proposal Trustee's legal counsel (collectively, the "**Administrative Professionals**"), as security for their respective professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a first ranking charge (the "**Administration Charge**") on all of Free Rein's present and after-acquired assets, property and undertakings (the "**Property**"), which charge shall not exceed \$200,000 as security for the Administrative Professionals' professional fees and disbursements incurred at normal rates and charges, both before and after the making of this Order.
4. The filing, registration or perfection of the Administration Charge shall not be required, and the Administration Charge shall be enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.
5. The Administration Charge shall constitute a charge on the Property and 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**").
6. Except as otherwise provided herein, or as may be approved by this Honourable Court, Free Rein shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, the Administration Charge, unless Free Rein obtains the prior written consent of the Administrative Professionals or further order of this Court.

7. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Administrative Professionals 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 *Bankruptcy and Insolvency Act* (Canada) (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 Free Rein, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Administration Charge 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 Free Rein of any Agreement to which it is a party;
 - (ii) the Administrative Professionals shall not 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 Administration Charge; and
 - (iii) the payments made by Free Rein pursuant to this Order and the granting of the Administration Charge, 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

8. The time within which Free Rein is required to file a proposal to its creditors with the Official Receiver under section 50.4 of the *BIA* is hereby extended to August 25, 2023.



J.C.C.K.B.A