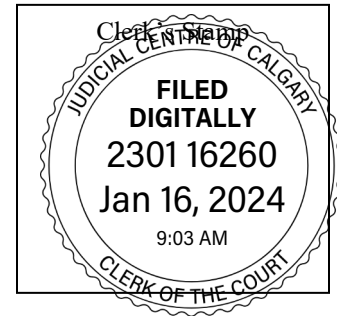


COURT FILE NUMBER 2301-16260
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
**IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, as amended**



**AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
FREE REIN RESOURCES LTD.**

APPLICANT **INVICO DIVERSIFIED INCOME LIMITED
PARTNERSHIP by its general partner
INVICO DIVERSIFIED INCOME
MANAGING GP INC.**

DOCUMENT **APPLICATION FOR STAY EXTENSION by
INVICO DIVERSIFIED INCOME LIMITED
PARTNERSHIP by its general partner
INVICO DIVERSIFIED INCOME
MANAGING GP INC.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **FASKEN MARTINEAU DUMOULIN LLP**
#3400 – 350 7th Avenue SW
Calgary, AB T2P 3N9
Attention: Robyn Gurofsky / Anthony Mersich
Telephone: (403) 261 9469 / (587) 233 4124
Email: rgurofsky@fasken.com / amersich@fasken.com
File Number 324505.00011

NOTICE TO SERVICE LIST ATTACHED HERETO AS SCHEDULE "A"

This application is made in respect of Free Rein Resources Ltd. You are a respondent or interested party.

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

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

Date January 22, 2024

Time 2:00 p.m. (Calgary Time)
Where Via Webex
<https://albertacourts.webex.com/meet/virtual.courtroom60>
Before Whom The Honourable Justice P.R. Jeffrey

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

Remedy claimed or sought:

1. Invico Diversified Income Limited Partnership (“**Invico**”) seeks an Order substantially in the form attached hereto as **Schedule “B”** (the “**Stay Extension Order**”), to extend the Stay Period as defined in the Amended and Restated Initial Order granted in these proceedings on December 7, 2023 (the “**ARIO**”) from January 31, 2024 to March 15, 2024.
2. Such further and other relief as this Honourable Court may grant.

Grounds for making this application:

Procedural Background

3. Invico is Free Rein’s senior secured creditor. Free Rein is currently indebted to Invico in excess of \$6,700,000.
4. Free Rein Resources Ltd. (“**Free Rein**”) commenced its court-supervised restructuring proceedings on June 12, 2023 by filing a Notice of Intention to File a Proposal pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, 1985, c B-3 (the “**NOI Proceeding**”). FTI Canada Consulting Inc. (“**FTI**”) was appointed as Free Rein’s proposal trustee (in such capacity, the “**Proposal Trustee**”).
5. In the NOI Proceeding, Free Rein commenced a sale and investment solicitation process (“**SISP**”) in respect of its assets and business in late-August of 2023. As part of the SISP, Invico submitted a stalking horse term sheet (the “**Stalking Horse Term Sheet**”) that contemplated Invico acquiring all of Free Rein’s oil and gas assets either by way of asset purchase or by share transaction. The SISP was administered and supervised by the Proposal Trustee.
6. The Phase 2 Bid Deadline for the SISP closed on November 6, 2023. Two formal offers were received outside of the Stalking Horse Term Sheet.
7. On November 15, 2023, just over a week after the Phase 2 Bid Deadline, Tidewater, being the owner of the gas plant that processed all of Free Rein’s natural gas production (the “**Gas Plant**”), notified Free Rein that it would be shutting down the Gas Plant as of November 30, 2023 and would be unable to accept Free Rein’s production at the Gas Plant after November 30, 2023. Tidewater advised that it anticipated issuing “force majeure” notices to Free Rein under the Gas Handling Agreement and the Emulsion Handling Agreement (the “**Force Majeure Notice**”).
8. As a result of the Gas Plant shut down, Free Rein was forced to shut in all of its producing wells. On or about November 18, 2023, the Proposal Trustee advised all parties that had submitted offers by the Phase 2 Bid Deadlines of the anticipated Force Majeure Notice and the Gas Plant’s impending shut-down. The parties that had submitted offers did not advance their offers and no qualified bids were thereafter received.

9. Invico is the only remaining party willing to transact with Free Rein and seeks to proceed with a transaction based on terms similar to those in the Stalking Horse Term Sheet, with some modifications (the “**Transaction**”).
10. In order to provide Invico with sufficient time to conduct due diligence and to prepare definitive documents to consummate the Transaction, on December 7, 2023, Invico applied to have the NOI Proceedings continued under the *Companies Creditors Arrangement Act*, RSC 19985, c C-36 (the “**CCAA**”, and such application being the “**Continuation Application**”).
11. At the Continuation Application, the Honourable Justice Nielsen granted an Initial Order and an Amended and Restated Initial Order (“**ARIO**”) which provided the relief sought by Invico, which included appointing FTI as Monitor with enhanced powers, and providing for a Stay Period until January 31, 2024.

Extension of the Stay Period

12. Invico and Free Rein have acted in good faith and with due diligence. Since the continuation of these proceedings under the CCAA, Invico has been conducting various due diligence in respect of the Transaction, including but not limited to:
 - (a) working with Free Rein’s representative on a start up plan for oil and gas production in accordance with regulatory guidelines, including obtaining a Temporary Flaring Permission, which allows Free Rein to recommence production from three wells that produce oil and associated natural gas, by permitting Free Rein (on a temporary basis) to flare the associated gas produced while trucking the produced oil to a refinery;
 - (b) reviewing Free Rein’s available books and records;
 - (c) analyzing the language and background of certain Free Rein contracts, including certain gross overriding royalties Free Rein had granted to non-arm’s length parties;
 - (d) communicating with contract counter-parties to understand the mechanics and economics of certain contracts, including a joint venture agreement Free Rein had entered into in respect of a water disposal well.
13. Invico and Free Rein require an extension of the Stay Period to continue their due diligence process with a view of developing definitive documents for the Transaction, as proposed to the Court at the Continuation Application. Invico therefore seeks an extension of the Stay Period provided in the ARIO to March 15, 2024.
14. As part of Invico’s eventual application to approve the Transaction, Invico anticipates it will apply (on notice to the affected stakeholders) to vest off certain royalty interests in certain of Free Rein’s assets, including those referenced by Free Rein as the shareholder royalty and the Newgrange royalty. Invico does not seek this relief at this time, but anticipates returning for such an application before the expiry of the proposed extension to the Stay Period.
15. Invico will fund any cash flow shortfall during the proposed extension period from its existing debt facility based on the existing cash flow forecast.
16. The proposed extension of the Stay Period is in the best interest of Free Rein and its stakeholders, including Invico.

Material or evidence to be relied on:

17. The Affidavit of Chris Wutzke, sworn January 15, 2024; and
18. Such further and other evidence as counsel may advise an this Honourable Court may permit.

Applicable rules:

19. *Alberta Rules of Court.*

Applicable Acts and regulations:

20. The CCAA and this Court's equitable and statutory jurisdiction thereunder; and
21. Such further authority as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

22. None.

How the application is proposed to be heard or considered:

23. Via WebEx before the Honourable Justice P.R. Jeffrey.

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 the 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.

SCHEDULE "A"
SERVICE LIST

Schedule "A"

COURT FILE NUMBER **2301-16260**

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER 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 FREE REIN RESOURCES LTD.

APPLICANT INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP

RESPONDENT FREE REIN RESOURCES LTD.

DOCUMENT **SERVICE LIST**

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File No. 324505.00011

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<p>Newgrange Energy Inc. 3900, 350 – 7th Avenue SW Calgary, AB T2P 3N9</p> <p>Attention: Terry McCallum Email: trmccallum@gmail.com</p>	<p>FTI Consulting Canada Inc. Suite 1610 520 5 Ave SW Calgary, AB T2P 3R7</p> <p>Attention: Deryck Helkaa Dustin Olver Brett Wilson Terry McCallum Email: deryck.helkaa@fticonsulting.com dustin.olver@fticonsulting.com brett.wilson@fticonsulting.com trmccallum@gmail.com</p> <p><i>Monitor</i></p>
<p>Tartan Energy Technology (Shanghai) Ltd. Room 1807, Building 1 No. 497, Zhengli Road, Yangpu District Shanghai, PRC 200433</p> <p>Tartan Energy Group Inc. Suite 1520, 101 – 6 Ave SW Calgary, AB T2P 3P4</p> <p>Email: tlau@tartansh.com</p> <p>PPR Registration No.: 21081210023 21081210096</p>	<p>ATB Financial – Collateral Management 3699 – 63rd Ave NE Calgary, AB T3J 0G7 Phone #: 403 974 3565 Fax #: 403 974 5288</p> <p>Email: pprnotices@atb.com</p> <p>PPR Registration No.: 19051327522</p>
<p>Invico Diversified Income Limited Partnership 600, 209 – 8 Ave SW Calgary, AB T2P 1B8</p> <p>Attention: Chris Wutzke Allison Taylor Email: cwutzke@invicocapital.com E amtaylor@invicocapital.com</p> <p>PPR Registration No: 22092001258 22092001277</p>	<p>Invico Diversified Income Managing GP Inc. 600, 209 – 8 Ave SW Calgary, AB T2P 1B8</p> <p>Attention: Chris Wutzke Allison Taylor Email: cwutzke@invicocapital.com amtaylor@invicocapital.com</p> <p>PPR Registration No: 22092001258 22092001277</p>

<p>Cassels Brock & Blackwell LLP Suite 3810, Bankers Hall West 888 3rd Street SW Calgary, AB T2P 5C5</p> <p>Attention: Jeffrey Oliver Kara Davis Danielle Marechal Email: joliver@cassels.com kdavis@cassels.com dmarechal@cassels.com</p> <p><i>Counsel to FTI Consulting Canada Inc.</i></p>	<p>Bishop & McKenzie LLP 2200, 555 – 4 Ave SW Calgary, AB T2P 3E7</p> <p>Attention: Anthony Dekens Email: adekens@bmlp.ca</p> <p><i>Counsel to Legacy Disposal Facility Ltd., in relation to its Joint Venture Agreement with Free Rein Resources Ltd.</i></p>
<p>Dunphy Best Blocksom LLP 800, 517 10th Avenue SW Calgary AB T2R 0A8</p> <p>Attention: Christopher Dormer Email: dormer@dbblaw.com</p> <p><i>Counsel to Jeanelle George and Anne-Marie Melby, Plaintiffs in Action no. ABKB 2301-10103</i></p>	<p>Miles Davison LLP 900, 517 – 10th Avenue S.W. Calgary, Alberta T2R 0A8</p> <p>Attention: Ward Mather Email: wmather@milesdavison.com</p> <p><i>Counsel to Capital Now Ventures Inc.</i></p>
<p>Skyline Legal Group LLP Suite 601, 1701 Centre Street NW Calgary, AB T2E 7Y2</p> <p>Attention: George Huang Email: ghuang@skylinelegal.ca</p> <p><i>Counsel to Tartan Energy Technology (Shanghai) Ltd. and Tartan Energy Group Inc.</i></p>	<p>CWC Energy Services Corp. c/o Burron Law 20 Windhorse Bay Calgary, AB T3Z0B4</p> <p><i>Potential Creditor</i></p>
<p>Step Energy Services Ltd. c/o Field LLP 400, 444 7 AVE SW Calgary AB T2P 0X8</p> <p>Attention: Matthew Vernon Email: mvernon@fieldlaw.com</p> <p><i>Potential Creditor</i></p>	<p>Codeco-Vanoco Engineering Inc. c/o Field LLP 444 7 Ave SW Suite 400 Calgary, AB T2P 0X8</p> <p><i>Potential Creditor</i></p>

<p>Gowling WLG (Canada) LLP Suite 1600, 421 7th Avenue SW Calgary AB T2P 4K9</p> <p>Attention: Stephen Kroeger Tom Cumming Adriana Da Silva Bellini</p> <p>Email: stephen.kroeger@gowlingwlg.com Tom.Cumming@gowlingwlg.com Adriana.DaSilvaBellini@gowlingwlg.com</p> <p><i>Counsel to MAGA Energy Ltd.</i></p>	<p>Canadian Natural Resources Limited 2100, 855 – 2 Street S.W. Calgary, AB T2P 4J8</p> <p>Attention: Jelena Molnar Email: Jelena.Molnar@cnrl.com</p>
<p>PrairieSky Royalty Ltd. 1700, 350 – 7 Avenue SW Calgary, AB T2P 3N9</p> <p>Attention: James Nixon Email: james.nixon@prairiesky.com landcomplianceinquiries@prairiesky.com</p>	<p>Dunphy Best Blocksom LLP 800, 517 10th Avenue SW Calgary AB T2R 0A8</p> <p>Attention: Beth P. Younggren Email: byounggren@dbblaw.com</p> <p><i>Counsel to Puravida Exploration Inc. and 1591195 Alberta Ltd.</i></p>
<p>Blake, Cassels & Graydon LLP 855 – 2 Street SW, Suite 3500 Calgary AB T2P 4J8</p> <p>Attention: Kelly J. Bourassa Jessica MacKinnon Email: kelly.bourassa@blakes.com jessica.mackinnon@blakes.com</p> <p><i>Counsel to China Construction Bank Toronto Branch</i></p>	<p>OptiMax Drilling Solutions Inc. Suite 1900, 407 – 2nd Street SW Calgary, AB T2P 2Y3</p> <p>Attention: Peggy Sullivan Email: psullivan@optimaxdrilling.com</p>
<p>Caron & Partners LLP Fifth Avenue Place – West Tower 2120, 237 – 4th Avenue, S.W. Calgary, Alberta T2P 4K3</p> <p>Attention: Dean Hutchison Email: dhutchison@caronpartners.com</p> <p><i>Counsel to GWL Realty Advisors Inc</i></p>	<p>Canada Revenue Agency Surrey National Verification and Collections Centre 9755 King George Boulevard Surrey BC V3T 5E1</p> <p>Fax (toll-free): 1-833-697-2390</p>

<p>Alberta Energy Regulator Suite 1000, 250 – 5 Street SW Calgary, AB T2P 0R4 Email: insolvency@aer.ca</p> <p>Attention: Maria Lavelle George Wong Email: maria.lavelle@aer.ca George.Wong@aer.ca</p>	<p>Government of Alberta Alberta Energy and Minerals Energy Legal Team 9th Floor, North Petroleum Plaza 9945 – 108 Street Edmonton, AB T5K 2G6</p> <p>Attention: Coleman Brinker Email: Coleman.Brinker@gov.ab.ca</p>
<p>Parkland County 53109A Hwy 779 Parkland County, AB T7Z 1R1 Email: hello@parklandcounty.com</p>	<p>Leduc County 101-1101 5 St Nisku, AB T9E 2X3 Email: tax@leduc-county.com</p>
<p>Tidewater Midstream and Infrastructure Ltd. 900, 222 3rd Avenue SW Calgary, AB T2P 0B4</p> <p>Attention: Jason Kulsky Email: jkulsky@tidewatermidstream.com</p>	<p>Department of Justice Canada Prairie Regional Office -Edmonton #300, 10423 – 101 St NW Edmonton, AB T5H 0E7</p> <p>Attention: George Body Marlene Barrientos Email: George.Body@justice.gc.ca Marlene.Barrientos@justice.gc.ca</p>

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Codeco-Vanoco Engineering Inc.

c/o Field LLP
444 7 Ave SW, Suite 400
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SCHEDULE "B"
ORDER

COURT FILE NUMBER	2301-16260	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PROCEEDING	IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i> , R.S.C. 1985, c. C-36, as amended AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FREE REIN RESOURCES LTD.	
APPLICANT	INVICO DIVERSIFIED INCOME LIMITED PARTNERSHIP by its general partner INVICO DIVERSIFIED INCOME MANAGING GP INC.	
RESPONDENT	FREE REIN RESOURCES LTD.	
DOCUMENT	ORDER - STAY EXTENSION	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Fasken Martineau DuMoulin LLP Barristers and Solicitors Suite 3400, 350 7 Avenue SW Calgary Alberta T2P 4K9 Solicitor: Robyn Gurofsky / Anthony Mersich Telephone: (403) 261 9469 / (587) 233 4124 Email: rgurofsky@fasken.com / amersich@fasken.com File Number 324505.00011	

DATE ON WHICH ORDER WAS PRONOUNCED: January 22, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice P.R. Jeffrey

UPON THE APPLICATION of Invico Diversified Income Limited Partnership (the "**Applicant**" or "**Invico**" or the **Purchaser**"), secured creditor of Free Rein Resources Ltd. ("**Free Rein**"), for an order, *inter alia*, extending the Stay Period as defined in the Amended and Restated Initial Order granted in these proceedings on December 7, 2023 (the "**ARIO**"); **AND UPON** having read the Affidavit of Chris Wutzke sworn on January 15, 2024 and the Affidavit of Service of Kim Picard, filed [●]; **AND UPON** reading the first report of the Monitor dated

[•]; **AND UPON HEARING** from counsel for Invico, counsel for Free Rein, counsel for the Monitor, and such other parties 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.

STAY EXTENSION

2. The Stay Period (as defined in the ARIO) shall be and is hereby extended to and including 11:59 p.m. on March 15, 2024, and all other terms of ARIO shall remain in full force and effect, unamended, except as may be required to give effect to this paragraph.

Justice of the Court of King's Bench of Alberta