

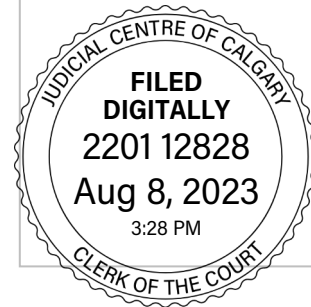
CERTIFIED

E. Wheaton

by the Court Clerk as a true copy of the document digitally filed on Aug 8, 2023

COURT FILE NUMBER 2201 12828
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF EXPORT-IMPORT BANK OF CHINA
DEFENDANT CHANGHUA ENERGY CANADA LTD.
DOCUMENT **APPROVAL AND VESTING ORDER**

Clerk's Stamp



(Sale by Receiver)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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Counsel for FTI Consulting Canada Inc., in its capacity as the Court-appointed receiver of Changhua Energy Canada Ltd.
File No: 1001122095

DATE ON WHICH ORDER WAS PRONOUNCED: August 8, 2023
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice G.A. Campbell
LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver (the **Receiver**) of all the undertakings, property and assets of Changhua Energy Canada Ltd. (**Changhua**) for an order approving the transaction (the **Bitstone Transaction**) contemplated by the Purchase and Sale Agreement (the **PSA**) between the Receiver and Bitstone Resources Inc. (the **Purchaser**), and vesting in the Purchaser all of the rights, title, and interest in and to the Assets as defined in the PSA (the **Assets**) free and clear of all encumbrances;

AND UPON HAVING READ the Receivership Order of the Honourable Justice G.S. Dunlop dated December 7, 2022 (the **Receivership Order**), the First Report of the Receiver, and the Affidavit of Service;

AND UPON HAVING READ in the Affidavit of Service that Purchaser, the Export-Import Bank of China, and the Alberta Energy Regulator have all been served with the present Application;

AND UPON HEARING the submissions of counsel for the Receiver and for any other parties that may be 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, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Bitstone Transaction is hereby approved and execution of the PSA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver 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 Bitstone Transaction or for the conveyance of the Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Subject only to approval by the Alberta Energy Regulator (the **Energy Regulator**) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "1"** hereto (the **Receiver's Closing Certificate**), all of Changhua's right, title and interest in and to the Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, right of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, 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:
 - (a) any encumbrances or charges created by the Receivership Order or any other orders granted in these proceedings;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta), now the *Prompt Payment and Construction Lien Act* (Alberta); and
 - (d) those Claims listed in **Schedule "2"** hereto (all of which are collectively referred to as the **Encumbrances**, which term shall not include the permitted encumbrances, caveats, easements and restrictive covenants listed in **Schedule "3"** (collectively, the **Permitted Encumbrances**))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Assets are hereby expunged, discharged and terminated as against the Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, the **Governmental Authorities**) are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser (or its nominee) clear title to the Assets subject only to Permitted Encumbrances. Without limiting the foregoing:
 - (a) Alberta Energy shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this order) against the estate or interest of Changhua in and to any of the Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases listed in **Schedule "4"** to this order standing in the name of Changhua, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
 - (b) the Registrar of the Alberta Personal Property Registry (the **PPR Registrar**) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of Changhua in any of the Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this order and the PSA. Presentment of this order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by the Receiver of the PSA other than any required approval by Alberta Energy referenced in paragraph 4 above.
7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Assets from and after the delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Assets and may be asserted against the net proceeds from sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Assets without further order of this Court, provided however the Receiver may apply any part of

such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

8. Except as expressly provided for in the PSA or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Bitstone Transaction, have liability of any kind whatsoever in respect of any Claims against Changhua.
9. Upon the completion of the Bitstone Transaction, Changhua and all persons who claim by, through or under Changhua in respect of the Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit without any interference of or by Changhua, or any person claiming by or through or against Changhua.
11. Immediately upon the closing of the Bitstone Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

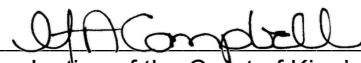
MISCELLANEOUS MATTERS

13. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended (the **BIA**) in respect of Changhua, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of Changhua; and
 - (d) the provisions of any federal or provincial statute;

the vesting of the Assets in the Purchaser (or its nominee) pursuant to this order shall be binding on any trustee in bankruptcy that may be appointed in respect of Changhua and shall not be void or voidable by creditors of Changhua, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the *BIA* 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.

14. The Receiver's activities as set out in the First Report and in all of its other reports, confidential reports, and confidential supplements filed herein, and the Statement of Receipts and Disbursements as attached to the First Report, are hereby ratified and approved.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this order and to assist and aid the parties in closing the Bitstone Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this order, to give effect to this order and to assist the Receiver and its agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this order or to assist the Receiver and its agents in carrying out the terms of this order.
17. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this order;
 - (iii) any other parties attending or represented at the application for this order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) posting a copy of this order on the Receiver's website at:
<http://cfcanada.fticonsulting.com/changhuaenergy/>
- and service on any other person is hereby dispensed with.
18. 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 "1"

COURT FILE NUMBER 2201 12828

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
RECEIVERSHIP OF CHANGHUA ENERGY
CANADA LTD.



DOCUMENT **RECEIVER'S CLOSING CERTIFICATE**

ADDRESS FOR SERVICE Norton Rose Fulbright Canada LLP
AND CONTACT #3700, 400 Third Avenue SW
INFORMATION OF PARTY Calgary, Alberta T2P 4H2
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Counsel for FTI Consulting Canada Inc., in its capacity as the Court-
appointed receiver of Changhua Energy Canada Ltd.
File No: 1001122095

RECITALS

- A. Pursuant to an order of the Honourable Justice G.S. Dunlop of the Court of King's Bench of Alberta, Judicial District of Calgary (the **Court**) dated December 7, 2022, FTI Consulting Canada Inc. (**FTI**) was appointed as the receiver (the **Receiver**) of the undertakings, properties and assets of Changhua Energy Canada Ltd. (**Changhua**).
- B. Pursuant to an order of the Court dated August 8, 2023, the Court approved the Purchase and Sale Agreement (the **PSA**) between the Receiver and Bitstone Resources Inc. (the **Purchaser** as part of the **Bitstone Transaction**), and vesting in the Purchaser all of the rights, title, and interests in and to the Assets as defined in the PSA (the **Assets**) free and clear of all encumbrances, which vesting is to be effective upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for Assets; (ii) that the conditions to Closing as set out in Article 4 of the PSA have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Bitstone Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the PSA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Assets payable on the Closing Date pursuant to the PSA.
2. The conditions to Closing as set out in Article 4 of the PSA have been satisfied or waived by the Receiver and the Purchaser (or its nominee).
3. The Bitstone Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____.

FTI Consulting Canada Inc., in its capacity as Receiver of the undertakings, properties and assets of Changhua Energy Canada Ltd., and not in its personal capacity.

Per: _____

Name:
Title:

Schedule "2"

Encumbrances

Registration Number: 17030325124
Registration Type: SECURITY AGREEMENT
Registration Date: 2017-Mar-03
Expiry Date: 2024-Mar-03 23:59:59
Debtor(s): CHANGHUA ENERGY CANADA LTD.
Secured Party: THE EXPORT-IMPORT BANK OF CHINA
Collateral: General

1. All present and after acquired personal property of the Debtor.

Registration Number: 17030325167
Registration Type: LAND CHARGE
Registration Date: 2017-Mar-03
Expiry Date: Infinity
Debtor(s): CHANGHUA ENERGY CANADA LTD.
Secured Party: THE EXPORT-IMPORT BANK OF CHINA

Encumbrance ID: 1602203
Registration Type: PROMPT PAYMENT AND CONSTRUCTION LIEN
Registration Date: 2016/08/04
Lienholder: RICHERT CONTRACT OPERATING INC.

Encumbrance ID: 1701177
Registration Type: SECURITY NOTICE
Registration Date: 2017/05/02
Interest of: CHANGHUA ENERGY CANADA LTD.
Secured Party: THE EXPORT-IMPORT BANK OF CHINA

Schedule “3”

Permitted Encumbrances

At the closing of the Bitstone Transaction, Purchaser or its nominee will be conveyed clear title to the Assets, subject to Permitted Encumbrances as set forth in the PSA in the definition of “Permitted Encumbrances”.

Purchaser will also assume certain liabilities relating to the Assets, including (a) all liabilities and obligations arising from the possession, ownership, use and/or operation of the Assets, to the extent such liabilities and obligations arise from and after the closing of the Bitstone Transaction, and (b) all Abandonment and Reclamation Obligations (as defined in the PSA) and all Environmental Liabilities (as defined in the PSA).

Schedule "4"

Crown Leases

LAND DESCRIPTION	WI%	MINERAL RIGHTS	BURDENS	P&NG AGREEMENTS
17-48-15W5	60	PNG Below base Bluesky to Base Rock Creek	Crown Royalty	0501100154
25-48-15W5	100	PNG Surface to Base Rock Creek	Crown Royalty	5403060633
9-48-15W5	60	PNG Below base Bluesky to Base Rock Creek	Crown Royalty	0501060189
9-48-15W5	60	PNG Surface to Base Bluesky (excluding CBM)	Crown Royalty	0501060188
16-48-15W5	100 BPO 80 APO	PNG Surface to Base Bluesky	Crown Royalty 5-15% GORR Convertible at PO 4-16 well	0502040333
E36-48-15W5	100	PNG below Cardium to Base Rock Creek	Crown Royalty	5403060634
E36-48-15W5	60	Surface to Base Cardium	Crown Royalty	5403060634
21-48-15W5	80	PNG Surface to Base Rock Creek	Crown Royalty	0501100155
35-48-15W5	100	PNG Surface to Base Rock Creek	Crown Royalty	5403060703
22-48-15W5	100	PNG Surface to Base Cardium	Crown Royalty	0518080083
22-28-15W5	100	PNG Below base Cardium to Base Bluesky-Bullhead	Crown Royalty	0518080084
22-48-15W5	100	PNG below Base Bluesky Bullhead to Base Rock Creek	Crown Royalty	0518080085