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JUDICIAL CENTRE

CALGARY



MATTER

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

FIRST REPORT TO COURT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS PROPOSAL TRUSTEE OF FREE REIN RESOURCES LTD.

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5

COM
July 11, 2023

Telephone 403-351-2921
Facsimile 403-648-1151
Email: joliver@cassels.com / dmarechal@cassels.com

File No. 055118-2

Attention: Jeffrey Oliver / Danielle Marechal

FIRST REPORT OF THE PROPOSAL TRUSTEE

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INTRODUCTION

1. On June 12, 2023 (the “**Filing Date**”), Free Rein Resources Ltd. (“**Free Rein**” or the “**Company**”), a private corporation formed under the laws of Alberta filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”). Attached as **Appendix “A**” hereto is the Certificate of Filing of a Notice of Intention to Make a Proposal issued by the Office of the Superintendent of Bankruptcy.
2. FTI Consulting Canada Inc. (“**FTI**”) consented to act as proposal trustee (the “**Proposal Trustee**”) in the NOI proceedings of Free Rein (the “**Proceedings**”).
3. This first report of the Proposal Trustee (the “**First Report**”) is being delivered in connection with the Company’s application currently scheduled to be heard on July 11, 2023 (the “**July 11 Application**”), seeking an Order from the Court of King’s Bench of Alberta (the “**Court**”), among other things:
 - (a) Extending the time for Free Rein to file a proposal to August 25, 2023 (the “**Stay Period**”); and
 - (b) Authorizing and approving the administration charge in the amount of \$200,000; and
4. Electronic copies of all materials filed by the Company in connection with the July 11 Motion and other statutory materials are available on the Proposal Trustee’s website at: <http://cfcanada.fticonsulting.com/freerein>.

PURPOSE

5. FTI, in its capacity as Proposal Trustee, has reviewed the Court materials filed by the Company in support of the July 11 Application. The purpose of this First Report is to provide information to this Honourable Court pertaining to:
 - (a) The Company, the circumstances surrounding the commencement of these Proceedings and the main objectives of these Proceedings;
 - (b) The Company's operations, assets and creditors;
 - (c) The status of the Company's restructuring efforts;
 - (d) The Company's cash flow statement (the "**Cash Flow Statement**") for the period ending August 26, 2023;
 - (e) The Company's request for an extension to the Stay Period; and
 - (f) The Proposal Trustee's conclusions and recommendations.

TERMS OF REFERENCE

6. In preparing this First report, the Proposal Trustee has relied upon unaudited financial information, other information available to the Proposal Trustee and, where appropriate, the Company's books and records and discussions with various parties (collectively, the "**Information**").
7. Except as described in this First Report:
 - (a) The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*;

- (b) The Proposal Trustee has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*; and
 - (c) Future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

OBJECTIVES

9. The primary objectives of these Proceedings are to:
- (a) Ensure the Company has the necessary stability to maintain ongoing operations while it seeks to restructure its financial affairs; and
 - (b) Provide a forum to effectuate a restructuring transaction (“**Restructuring Transaction**”) for the benefit of the Company’s creditors and preserve Free Rein’s going concern business.
10. The Company intends to move through the Proceedings expeditiously, with the goal of completing the Restructuring Transaction as soon as practicable.

BACKGROUND

11. Detailed information with respect to the Company’s business, operations and causes of financial difficulty are outlined in the Affidavit of Terry McCallum sworn on July 4, 2023 (the “**McCallum Affidavit**”). The information contained in this Frist Report provides a summary of the Company’s business and affairs.
12. The Company is an oil and gas exploration and production company headquartered in Calgary, Alberta, with its core operations located in Central Alberta in the Golden Spike area.

13. As at the date of this First Report, Free Reign employs approximately 9 full-time employees and consultants at its head office in Calgary, Alberta.

Historical Financial and Operating Results

14. The Proposal Trustee has reviewed the Company's unaudited financial statements for the three months ended December 31, 2022. In the three months ended December 31, 2022, the Company generated an operating loss of approximately \$365,000. The table below presents a summary of the Company's balance sheet as at December 31, 2022.

Balance Sheet	
(C\$ 000s)	31-Dec-22
Assets	
Current Assets	
Cash	\$ 1,797
Accounts receivable	1,738
Prepaid expenses	\$ 223
Total - Current Assets	3,759
Non-current Assets	
Property and equipment	17,045
Right-of-use-assets	171
Total - Assets	\$ 20,974
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	\$ 5,884
Current portion of long-term debt	2,535
Total - Current liabilities	8,420
Non-current Assets	
CEBA loan	33
Promissory notes	1,504
Due to Tartan	1,401
Invico term loan	3,871
Lease obligations	145
Decommissioning obligations	3,322
Total - Liabilities	\$ 18,697
Shareholders' Equity	
Share capital	4,173
Contributed surplus	685
Deficit	(2,580)
Total - Liabilities and shareholders' equity	\$ 20,974

15. The Proposal Trustee understands that as at December 31, 2022, the book value of the Company's assets and liabilities were approximately \$20.9 million and \$18.7 million, respectively.

Creditors

16. As detailed in the McCallum Affidavit, Free Rein entered into a senior secured loan agreement, as amended, with Invico Diversified Income Limited Partnership ("**Invico**") effective September 21, 2022, pursuant to which Invico made certain credit facilities available to the Company (the "**Invico Senior Secured Loan**").
17. On June 2, 2023, Invico issued demand for repayment of the Invico Senior Secured Loan in the amount of approximately \$5.7 million plus interest and costs and delivered a Notice of Intention to Enforce Security pursuant to section 244 of the BIA.
18. The Company is also indebted in the amount of approximately \$1.9 million to Tartan Energy Group ("**Tartan**") pursuant to a master services agreement dated August 5, 2021 (the "**Tartan Loan Agreement**").
19. The Tartan Loan Agreement is secured however, subordinate to the Invico Senior Secured Loan pursuant to the terms of a Postponement, Subordination and Standstill Agreement, dated September 21, 2022. To date, counsel to the Proposal Trustee has not reviewed the Invico Senior Secured Loan or the Tartan Loan Agreement to determine their validity or enforceability as secured loans.
20. Based on the Company's books and records, as at the Filing Date, Free Rein's unsecured obligations totaled approximately \$4.2 million.

Oil and Gas Operations and Reserves

21. The Company's oil and gas operations are focused in central Alberta with respect to a light oil play known as the Golden Spike Asset. Since its inception, Free Rein has grown production to approximately 370 boe/d.

22. The table below is an excerpt from Free Rein’s March 2023 oil and gas reserve report prepared by GLJ Ltd. (the “**Reserve Report**”). This summary presents the gross volumes of oil, natural gas and liquids by reserve type and the estimated net present value of future cash flows (at various discount rates, 5%, 10%, 15% and in 000’s) estimated to be generated by producing the reserves, priced at GLJ’s April 1, 2023, price deck.

Finalized GLJ March 2023 Reserve Report Summary	GLJ Limited as of March 31, 2023						
	Company Gross Reserves				NPV Before Tax		
	Oil Mbbbl	Natural Gas MMcf	NGL Mbbbl	Total MBoe	5%	10% M\$	15%
Proved Developed Producing	109	1,439	210	558	10,955	9,389	8,213
Proved Developed Non-Producing	409	1,105	171	763	20,967	17,653	15,201
Proved Undeveloped	1,505	1,824	331	2,140	39,239	26,488	18,410
Total Proved	2,022	4,368	712	3,461	71,161	53,529	41,825
Probable	1,740	2,948	503	2,734	63,438	45,880	35,035
Total Proved Plus Probable	3,762	7,316	1,214	6,196	134,599	99,409	76,860

23. The Reserve Report provides an indication of the potential value of the Company’s oil and gas reserves under a specific set of operating and economic assumptions (reserve volumes, production rates, pricing and operating/capital cost assumptions etc.). Reserve reports are typically utilized by market participants (lenders, investors and potential purchasers) as an indicator of value, among other valuation methodologies. The Proposal Trustee notes that the actual market value of the Company’s reserves may vary substantially from the values presented in the Reserve Report.

Causes of Financial Difficulty

24. As described in the McCallum Affidavit, the Company experienced significant cost overruns and unsuccessful recompletions in 2022 resulting in a decline in free cash flow and no new production from the work and capital expenditures undertaken in 2022.
25. Despite these financial difficulties the Company’s shareholders provide additional cash injections to fund operations. The Company’s plan includes two well recompletions in 2023 which could result in an additional 200 boe/d and increased cash flow for Free Rein’s stakeholders.

RESTRUCTURING EFFORTS

26. The Proposal Trustee understands that the Company has been exploring and considering several options, including:
- (a) ongoing discussions with Enoch Cree First Nation, including a meeting on June 26, 2023, in an effort to bring in additional funding to recapitalize Free Rein; and
 - (b) discussions with various high net worth individuals, including existing shareholders.
27. The Proposal Trustee, has not seen any binding agreements between the parties however has observed ongoing efforts. The Proposal Trustee understands discussions are ongoing and the Company requires additional time to determine if either or both of these efforts will be successful in assisting the Company to complete a Restructuring Transaction.
28. As described in the McCallum Affidavit, the Company has indicated that it would be open, on terms satisfactory to its primary stakeholders, to implementing a court-supervised solicitation process seeking offers for its assets, or a refinancing or recapitalization of the Company if a Restructuring Transaction is not completed by its next court appearance.

CASH FLOW STATEMENT

29. On June 21, 2023, management of the Company, in consultation with the Proposal Trustee, prepared a cash flow forecast for the period ending July 15, 2023, which was filed with the Official Receiver and is attached at **Appendix “B”** to this Report.
30. The Company, in consultation with the Proposal Trustee, has prepared the Cash Flow Statement to estimate the Company’s liquidity for the period from July 2, 2023, to August 26, 2023 (the **“Forecast Period”**), a summary of which is included below. A copy of the Cash Flow Statement is attached hereto as **Appendix “C”**.

Cash Flow Statement	
(C\$ 000s)	Total
Receipts	
Net production revenue	\$ 843
Other receipts	127
Total - Receipts	970
Disbursements	
Royalties	(125)
Transportation costs	(59)
Operating expenses	(247)
Capex	(128)
SG&A expense	(210)
Professional fees	(270)
Total - Disbursements	(1,040)
Net cash flow	(70)
Opening cash	395
Net cash flow	(70)
Ending cash	\$ 326

31. The Cash Flow Statement projects the Company will have negative net cash flow of approximately \$70,000 over the Forecast Period, including:
- (a) Cash receipts of approximately \$970,000, primarily related to the collection of petroleum and natural gas sales;
 - (b) Cash disbursements of approximately \$1,040,000 primarily related to trade payments, payroll and benefits, other operating disbursements and professional fees.
32. The Company operates in the exploration and development industry and derives all substantial revenues (and cash) from the sale of petroleum and natural gas products. As typical in the industry, the majority of revenues and/or cash receipts are received on or about the 25th of each month relating to petroleum and natural gas sold in the preceding month.
33. The Cash Flow Statement does not contemplate the payment of any amounts to secured creditors, including principal and interest. The Proposal Trustee is of the view that this is appropriate in light of:
- (a) the relatively accelerated timeline provided for by the extension of the Stay Period;

- (b) to ensure that cash resources are maintained to facilitate the Company's restructuring efforts; and
 - (c) to minimize any potential prejudice to other post-filing creditors by paying amounts accruing to secured creditors.

- 34. The Cash Flow Statement has been prepared by the Company using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement, including assumptions that goods and services incurred after the Filing Date are paid when incurred and only critical pre-filing payables are paid. Critical pre-filing payables are anticipated to be a nominal amount, as all other payables prior to the Filing Date are assumed to be stayed.

- 35. The Proposal Trustee's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to the Information supplied to it by the Company. Since probable and hypothetical assumptions need not be supported, the Proposal Trustee's procedures were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement, and there are no material assumptions contained therein which seem unreasonable in the circumstances.

- 36. Based on the Proposal's Trustee's review, as at the date of this First Report, nothing has come to its attention that causes it to believe that, in all material respects:
 - (a) The probable and hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement; and
 - (b) The probable and hypothetical assumptions developed by the Company are not supported and consistent with the plan of the Company or do not provide a reasonable basis for the Cash Flow Statement.

PROPOSAL TRUSTEE'S CONCLUSIONS AND RECOMMENDATIONS

Administration Charge

37. The Proposal Trustee understands that the Company will be requesting at the July 11 Application that this Honourable Court approve an Administration Charge in the amount of \$200,000 pursuant to section 64.2(1) of the BIA in respect of the fees and expenses of the Proposal Trustee, its legal counsel and the Company's legal counsel. The Administration Charge is common in such restructuring proceedings and the Proposal Trustee believes the quantum secured by the Administration Charge is reasonable in the context of these proceedings.

Stay Extension

38. The stay of proceedings expires on July 12, 2023. At the July 11 Application, the Company is requesting an extension of the stay of proceedings to August 25, 2023.

39. The Proposal Trustee is of the view that the requested extension of the stay of proceedings is appropriate pursuant to section 50.4(9) of the BIA for the following reasons:

- (a) The Company and its management are acting in good faith and with due diligence in taking steps to facilitate a restructuring of the business;
- (b) The extension of the Stay Period should allow sufficient time for the Company to advance a Restructuring Transaction;
- (c) The Cash Flow Statement indicates that the Company will have sufficient liquidity to continue to fund operations and the cost of the Proceedings to August 25, 2023;
- (d) Based on what the Proposal Trustee has observed to date, the Company would likely be able to advance a viable proposal if the extension to the Stay Period is granted;
- (e) The Proposal Trustee is not aware of any reason that the extension of the Stay Period would materially prejudice any creditors.

40. Based on the foregoing, Proposal Trustee supports the relief being sought by the Company and respectfully recommends that the Court grant the relief referenced in paragraph 3 herein.

All of which is respectfully submitted this 6th day of July 2023.

FTI Consulting Canada Inc.
in its capacity as Proposal Trustee of
Free Rein Resources,
not in its personal or corporate capacity



Name: Dustin Olver, CPA, CA, CIRP, LIT
Title: Senior Managing Director,
FTI Consulting Canada Inc.

First Report of FTI Consulting Canada Inc.,
In its capacity as Proposal Trustee of Free Rein Resources Ltd.

Appendix “A” – Certificate of Filing a Notice of Intention to Make a Proposal



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2954304
Estate No. 25-2954304

In the Matter of the Notice of Intention to make a proposal of:

Free Rein Resources Ltd.

Insolvent Person

FTI CONSULTING CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

June 12, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 13, 2023, 11:32

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

First Report of FTI Consulting Canada Inc.,
In its capacity as Proposal Trustee of Free Rein Resources Ltd.

Appendix “B” – Cash flow statement for the period ending July 29, 2023

Free Rein Resources Ltd.

Projected Cash Flow Statement for the period of June 11, 2023 to July 29, 2023

Cash Flow Statement	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Total	Notes
(C\$ 000s)	17-Jun	24-Jun	1-Jul	8-Jul	15-Jul	22-Jul	29-Jul		
Receipts									
Net production revenue	\$ -	\$ 405	\$ -	\$ -	\$ -	\$ -	\$ 408	\$ 813	1
Other receipts	10	102	25	-	-	-	-	137	
Total - Receipts	10	507	25	-	-	-	408	950	
Disbursements									
Royalties	-	(70)	-	-	-	-	(61)	(131)	2
Transportation costs	-	-	(29)	-	-	-	-	(29)	3
Operating expenses	(30)	-	(186)	-	(30)	-	-	(246)	4
Capex	(20)	-	(18)	-	-	-	-	(38)	5
SG&A expense	(57)	-	(57)	-	(63)	-	-	(176)	6
Professional fees	(20)	-	(125)	-	-	-	-	(145)	7
Total - Disbursements	(127)	(70)	(415)	-	(93)	-	(61)	(765)	
Net cash flow	(117)	437	(390)	-	(93)	-	347	185	
Opening cash	225	109	546	156	156	64	64	225	
Ending cash	\$ 109	\$ 546	\$ 156	\$ 156	\$ 64	\$ 64	\$ 410	\$ 410	

FREE REIN RESOURCES LTD.

Per: Terry McCallum, CEO



FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
OF INTENTION TO MAKE A PROPOSAL
Per: Dustin Olver, LIT


Notes:

Management of Free Rein Resources Ltd. ("FRR") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of FRR during the period of June 11, 2023 to July 29, 2023. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-7. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Net production revenue relates to the sale of FRR's petroleum and natural gas production. Production is based on current forecast production adjusted for natural decline rates. The forecast sales prices are based on third party price forecasts and FRR's quality discount to benchmark pricing. Crown royalties for oil production are paid in kind.
- 2 Royalty expense relates to royalties paid to the crown and freehold land owners and are based on historical rates.
- 3 Transportation costs relate to transporting FRR's petroleum and natural gas production from well head to market and is based on projected production volumes and transportation rates.
- 4 Operating expenses are based on the FRR's annual operating budget and relates to the costs associated with the operation of oil and natural gas wells and facilities.
- 5 Capital expenditure based on planned capital projects and environmental spending.
- 6 SG&A expense includes costs associated with FRR's head office, employees, office lease and overhead based on its annual budget.
- 7 Professional fees includes estimates for the proposal trustee and FRR's legal counsel.

Free Rein Resources Ltd.
 Projected Cash Flow Statement for the period of June 11, 2023 to July 29, 2023

Cash Flow Statement (C\$ 000s)	Week 1 Week Ending	Week 2 17-Jun	Week 3 24-Jun	Week 4 1-Jul	Week 5 8-Jul	Week 6 15-Jul	Week 7 22-Jul	Week 7 29-Jul	Total	Notes
Receipts										
Net production revenue	\$ -	\$ 405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408	\$ 813	1
Other receipts	10	102	25	-	-	-	-	-	137	
Total - Receipts	10	507	25	-	-	-	-	408	950	
Disbursements										
Royalties	-	(70)	-	-	-	-	-	(61)	(131)	2
Transportation costs	-	-	(29)	-	-	-	-	-	(29)	3
Operating expenses	(30)	-	(186)	-	(30)	-	-	-	(246)	4
Capex	(20)	-	(18)	-	-	-	-	-	(38)	5
SG&A expense	(57)	-	(57)	-	(63)	-	-	-	(176)	6
Professional fees	(20)	-	(125)	-	-	-	-	-	(145)	7
Total - Disbursements	(127)	(70)	(415)	-	(93)	-	-	(61)	(765)	
Net cash flow	(117)	437	(390)	-	(93)	-	-	347	185	
Opening cash	225	109	546	156	156	64	64	64	225	
Ending cash	\$ 109	\$ 546	\$ 156	\$ 156	\$ 64	\$ 64	\$ 64	\$ 410	\$ 410	


 FREE REIN RESOURCES LTD.
 Per: Terry McCallum, CEO

FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
 OF INTENTION TO MAKE A PROPOSAL
 Per: Dustin Olver, LIT

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- 4 Operating expenses are based on the FRR's annual operating budget and relates to the costs associated with the operation of oil and natural gas wells and facilities.
- 5 Capital expenditure based on planned capital projects and environmental spending.
- 6 SG&A expense includes costs associated with FFR's head office, employees, office lease and overhead based on its annual budget.
- 7 Professional fees includes estimates for the proposal trustee and FRR's legal counsel.

First Report of FTI Consulting Canada Inc.,
In its capacity as Proposal Trustee of Free Rein Resources Ltd.

Appendix “C” – Cash flow statement for the period ending August 26, 2023

Free Rein Resources Ltd.

Cash Flow Statement for the period from July 2, 2023 to August 26, 2023

Cash Flow Statement (C\$ 000s)	Week 1 8-Jul	Week 2 15-Jul	Week 3 22-Jul	Week 4 29-Jul	Week 5 5-Aug	Week 6 12-Aug	Week 7 19-Aug	Week 8 26-Aug	Total	Note
Receipts										
Net production revenue	\$ -	\$ -	\$ -	\$ 392	\$ -	\$ -	\$ -	\$ 451	\$ 843	1
Other receipts	25	-	102	-	-	-	-	-	127	
Total - Receipts	25	-	102	392	-	-	-	451	970	
Disbursements										
Royalties	-	-	-	(63)	-	-	-	(62)	(125)	2
Transportation costs	(30)	-	-	-	(29)	-	-	-	(59)	3
Operating expenses	(95)	(30)	-	-	(107)	-	(30)	-	(262)	4
Capex	-	-	-	-	(128)	-	-	-	(128)	5
SG&A expense	(28)	(63)	-	-	(57)	-	(63)	-	(210)	6
Professional fees	(20)	-	-	-	(125)	-	-	(125)	(270)	7
Total - Disbursements	(173)	(93)	-	(63)	(446)	-	(93)	(187)	(1,055)	
Net cash flow	(148)	(93)	102	329	(446)	-	(93)	264	(85)	
Opening cash	395	247	155	257	586	139	139	47	395	
Net cash flow	(148)	(93)	102	329	(446)	-	(93)	264	(85)	
Ending cash	\$ 247	\$ 155	\$ 257	\$ 586	\$ 139	\$ 139	\$ 47	\$ 311	\$ 311	



FREE REIN RESOURCES LTD.
Per: Terry McCallum, CEO



FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
OF INTENTION TO MAKE A PROPOSAL
Per: Dustin Olver, LIT

Notes:

Management of Free Rein Resources Ltd. ("FRR") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of FRR during the period of July 2, 2023 to August 26, 2023. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-7. Consequently, actual results will likely vary from actual performance and such variances may be material.

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- 4 Operating expenses are based on the FRR's annual operating budget and relates to the costs associated with the operation of oil and natural gas wells and facilities.
- 5 Capital expenditure based on planned capital projects and environmental spending.
- 6 SG&A expense includes costs associated with FRR's head office, employees, office lease and overhead based on its annual budget.
- 7 Professional fees includes estimates for the proposal trustee and its counsel and FRR's legal counsel.