

COURT FILE NUMBER 2501-02606

COURT COURT OF KING'S BENCH OF  
JUDICIAL CENTRE ALBERTA  
CALGARY

MATTER

IN THE MATTER OF THE  
COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985,  
c. C-36, AS AMENDED

Clerk's Stamp

AND IN THE MATTER OF THE PLAN  
OF COMPROMISE OR  
ARRANGEMENT OF ROYAL  
HELIUM LTD., IMPERIAL HELIUM  
CORP., AND ROYAL HELIUM  
EXPLORATION LIMITED.

APPLICANTS ROYAL HELIUM LTD., IMPERIAL  
HELIUM CORP., AND ROYAL  
HELIUM EXPLORATION LIMITED.

DOCUMENT **AMENDED ORIGINATING  
APPLICATION (CCAA Initial Order)**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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#### **NOTICE TO THE RESPONDENT(S)**

This application is made against you. You are a respondent.

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

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

Date: February 19, 2025  
Time: 3:00pm (MST)

Where: Edmonton Law Courts – By Webex Link to be provided  
Before: The Honourable Justice D.R. Mah

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

**Remedy sought:**

1. Royal Helium Ltd., Imperial Helium Corp. and Royal Helium Exploration Limited (collectively, the “**Applicants**”) seek the following relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”):

a) An initial order (the “**Initial Order**”) substantially in the form attached as

**Schedule “A”:**

- i. abridging time for service of the application materials;
- ii. declaring that each of the Applicants are companies to which the CCAA applies;
- iii. declaring that (i) the proceedings commenced by the Applicants under Division I of Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”, and such proceedings, the “**NOI Proceedings**”) of the Applicants are taken up and continued under the CCAA, pursuant to section 11.6(a) of the CCAA; (ii) declaring that Division I of Part III of the BIA has no further application to the Applicants; (iii) terminating the NOI Proceedings; and (iv) deeming the Notices of Intention to Make a Proposal (the “**NOIs**”) filed by the Applicants, under section 50.4 of the BIA, to be withdrawn;
- iv. appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as the monitor (the “**Monitor**”) of the Applicants in these proceedings;

- v. declaring that the relief granted by order of the Ontario Superior Court of Justice (Commercial List) dated January 29, 2025 (the “**Consolidation Order**”) is hereby taken up and continued pursuant to the Initial Order;
- vi. approves the Applicants’ ability to borrow under a debtor-in-possession credit facility (the “**New DIP Facility**”) up to a maximum amount of \$2.5 million, subject to the terms of the interim financing term sheet dated February 19, 2025 (the “**DIP Term Sheet**”) between the Applicants as borrowers and CWB and BDC (collectively, in such capacity, the “**DIP Lenders**”) in order to refinance the Original DIP Facility (as defined in the DIP Term Sheet);
- vii. continuing and taking up under the CCAA such charges and amounts secured under the Consolidation Order, specifying that the Amended Administration Charge (as defined below) shall secure the fees and disbursements of the Monitor and its legal counsel, and confirming that such charges attach to all of the assets and property of the Applicants and continue to rank in priority to all other charges, mortgages, liens, security interests and other encumbrances therein, and in the following order priority amongst themselves:
  - 1. first – a charge in favour of the Monitor, its legal counsel, and the Applicants’ legal counsel in respect of their fees and disbursements, to a maximum amount of \$300,000 (the “**Amended Administration Charge**”); and
  - 2. second – a charge in favour of the DIP Lender up to the maximum principal amount of \$1,500,000 (“**DIP Lenders’ Charge**”);

viii. authorizing the Applicants to pay the reasonable expenses incurred in carrying out their business in the ordinary course, including certain expenses incurred prior to the date of the Initial Order;

ix. authorizing the Applicants to pay all reasonable fees and disbursements of the Proposed Monitor, the Proposed Monitor's legal counsel, and the Applicants' legal counsel; and

b) an order (the "SISP Approval Order") substantially in the form attached as Schedule "B" approving a sale and investment solicitation process ("SISP") in the form attached as Schedule "A" to the SISP Approval Order, which SISP shall be conducted by the Monitor in consultation with the Applicants and in accordance with the terms of the SISP; and

c) such further and other relief as may be sought by the Applicants and granted by this Honourable Court.

2. Capitalized terms used in this Originating Application and not otherwise defined have the same meaning as ascribed to such terms in the Affidavit of David Young, sworn on February 9, 2025 (the "**Young Affidavit**").

### **Grounds for making this application:**

#### **Background**

3. Royal Helium Ltd. ("**RHL**") is a public company that trades on the Toronto Stock Exchange, Venture Exchange (the "**TSX.V**") and holds 100% of the issued and outstanding capital of its two subsidiaries: Royal Helium Exploration Limited ("**RHEL**") and Imperial Helium Corp ("**IHC**", together with RHEL the "**RHL Subsidiaries**"). The Applicants are in the business

of gas extraction and exploration.

4. On January 17, 2024, the Applicants each filed an NOI with the Office of the Superintendent of Bankruptcy Canada pursuant to Section 50.4(1) of the BIA. Grant Thornton Limited is the Proposal Trustee in the NOI Proceedings.

5. On January 29, 2025, the Applicants brought a motion in the Ontario Superior Court of Justice (Commercial List) for an order, among other things,: (i) procedurally consolidating the Applicants' NOI Proceedings; (ii) extending the time for the Applicants to file a proposal to April 2, 2025 (the "**Stay Period**"); (iii) granting the Administration Charge (as defined therein); (iv) approving the DIP Facility and granting the DIP Lender's Charge on the Property; and (v) ordering that the NOI Proceedings be transferred to the Court of King's Bench of Alberta.

### **Continuing as CCAA Proceedings**

6. The Stay Period is presently scheduled to expire April 2, 2025.

7. The Applicants require that the NOI Proceedings continue as a CCAA proceeding so that they can work towards a successful sale of the Applicants' assets and/or a restructuring, recapitalization or other reorganization of the Business for the benefit of the Applicants' stakeholders, including their secured creditors.

8. Converting from the NOI Proceedings to CCAA proceedings presents the best chance for the Applicants, with the assistance of the Monitor, to run an effective sales and investment solicitation process and preserve the value of the Property and the Business in the interim.

9. Continuing the NOI Proceedings under the CCAA is appropriate for the following reasons including, *inter alia*,

- a) the Applicants have acted and continue to act in good faith and with due diligence;
- b) no creditor will be materially prejudiced by the requested continuation;
- c) conversion of the NOI Proceedings under the CCAA is not precluded under section 11.6 of the CCAA;
- d) the Applicants have sufficient financing to fund the restructuring efforts under the CCAA;
- e) the Applicants are companies to which the CCAA applies—affiliated companies which have claims against them in excess of \$5,000,000 and are insolvent; and
- f) the Proposal Trustee and the Monitor support converting the NOI Proceedings to CCAA proceedings and will continue to assist them in restructuring efforts under the CCAA.

#### **Approval of the DIP Facility**

10. The Consolidation Order granted a debtor-in-possession credit facility up to a maximum amount of \$1.5 million (the “**Original DIP Facility**”) between the Applicants (as borrower) and Energy & Specialty Gases DIP, LLC (the “**Original DIP Lender**”). The Applicants require approval of a new credit facility (the “**New DIP Facility**”) financed by CWB and BDC (the DIP Lenders) in order to refinance the Original DIP Facility and to fund the Applicants’ working capital requirements and other general corporate purposes and capital expenditures, on and subject to the terms and conditions of the DIP Term Sheet (as defined herein), provided that borrowings under such credit facility shall not exceed \$2.5 million unless permitted by further order of this Court.

## Validity and Priority of Court Ordered Charges

11. The Consolidation Order granted the Administration Charge (as defined therein) and the DIP Lender's Charge which the Applicants seek to take up and continue in these CCAA proceedings subject to certain amendments to the Administration Charge including security for the professional fees and disbursements incurred by the Monitor and its counsel (the **"Amended Administration Charge"**) and an increase to the DIP Lender's Charge corresponding to the expanded New DIP Facility. The priorities of the Charges (defined below), as among them, are listed below:

- a) first – a charge in favour of the Monitor, its legal counsel, and the Applicants' legal counsel in respect of their fees and disbursements, to a maximum amount of \$300,000 (the **"Amended Administration Charge"**); and
- b) second – charge in favour of the DIP Lenders up to the maximum principal amount of \$2,500,000 (**"DIP Lenders' Charge"**, together with the Amended Administration Charge, the **"Charges"**).

12. The Charges are reasonable and appropriate in the circumstances and the involvement of professionals and the DIP Lender is critical to the Applicants' restructuring efforts and the success of these insolvency proceedings.

## Approval of the SISP

13. The Applicants, in consultation with the Monitor and the Applicants' senior secured creditors, Canadian Western Bank ("**CWB**") and Business Development Bank of Canada ("**BDC**", together with CWB the "**Lenders**"), have developed a SISP intended to widely expose the Applicants' Business to the market and to provide a structured and orderly process for

interested parties to perform due diligence and submit offers for a broad range of potential transactions.

14. The SISP is the best available option to maximize value for the benefit of the Applicants' stakeholders, either by way of a sale or recapitalization transaction of the Business.

### **Role of the Monitor**

15. The Monitor will assist with the implementation of the SISP.

### **Affidavit or other evidence to be used in support of this application:**

16. The Applicants intend to rely upon the following materials:
- a. Affidavit of David Young, sworn on February 9, 2025, to be filed;
  - b. Bench Brief, to be filed;
  - c. the consent of A&M to act as the court-appointed monitor of the Applicants;
  - d. the Pre-Filing Report of the Monitor; and
  - e. such further and other materials or evidence as counsel to the Applicants may advise and this Honourable Court may permit.

### **Applicable Acts and regulations:**

17. The Applicants will rely upon and refer to the following during the making of the Application:
- a. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
  - b. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
  - c. the *Judicature Act*, RSA 2000, c J-2;
  - d. *Alberta Rules of Court*, Alta. Reg. 124/2010;
  - e. The equitable jurisdiction of this Honourable Court; and
  - f. such further and other Acts and regulations as counsel to the Applicants may advise.



**Any irregularity complained of or objection relied on:**

18. None.

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

19. Before the presiding Justice in Commercial Chambers via Webex.

**WARNING**

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the 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"**

Clerk's Stamp:

COURT FILE NUMBER	2501-02606
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF	CALGARY
MATTER	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 ROYAL HELIUM LTD., IMPERIAL HELIUM CORP., AND ROYAL HELIUM EXPLORATION LIMITED.
APPLICANTS:	ROYAL HELIUM LTD., IMPERIAL HELIUM CORP., AND ROYAL HELIUM EXPLORATION LIMITED.
DOCUMENT	<b><u>CCAA INITIAL ORDER</u></b>
CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	<b>Reconstruct LLP</b> 80 Richmond Street West Suite 1700 Toronto, ON, CA M5H 2A4 <b>Caitlin Fell / Sharon Kour</b> Tel: 416.613.8282 / 416.613.8283 Fax: 416.613.8290 Email: <a href="mailto:cfell@reconllp.com">cfell@reconllp.com</a> / <a href="mailto:skour@reconllp.com">skour@reconllp.com</a> File No: 00482
DATE ON WHICH ORDER WAS PRONOUNCED:	<b>February 19, 2025</b>
NAME OF JUDGE WHO MADE THIS ORDER:	<b>Justice D.R. Mah</b>
LOCATION OF HEARING:	<b>Edmonton, Alberta</b>

**UPON** the application of Royal Helium Ltd., Imperial Helium Corp. and Royal Helium Exploration Limited (collectively, the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of David Young sworn February 10, 2025 (the "**Young Affidavit**"); and the Affidavit of Service of Alina Stoica sworn February 10, 2025; and the Affidavit of David Young sworn February 14, 2025 (the "**Second Young Affidavit**"); and the Affidavit of Service of Alina Stoica sworn February 14, 2025; **AND UPON** reading the consent of Alvarez & Marsal Canada

Inc. (“**A&M**”) to act as monitor (the “**Monitor**”); **AND UPON** being advised that the Applicants had previously commenced proceedings under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) in the Ontario Superior Court of Justice (Commercial List), having Court File Number BK-25-3176135-0031 (the “**NOI Proceedings**”) and that Grant Thornton Limited was appointed as the proposal trustee in the NOI Proceedings (“**Proposal Trustee**”), with the current stay under the NOI Proceedings scheduled to expire on April 2, 2025; **AND UPON** noting that, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated January 29, 2025 (the “**Consolidation Order**”): (i) an Administration Charge (as defined in the Consolidation Order) was granted; and (ii) a debtor in possession facility (“**Original DIP Facility**”) was approved up to the maximum principal amount of \$1,500,000 and a corresponding DIP Lender’s Charge (as defined in the Consolidation Order, and referred to herein as the “**Original DIP Lender’s Charge**”) was granted in favour of Energy & Specialty Gases DIP, LLC (“**Original DIP Lender**”) over the Property (as defined herein); **AND UPON** noting that the secured creditors have been provided notice of this application and consent to the within Order; **AND UPON** reading the pre-filing report the Monitor dated February 18, 2025 (the “**Pre-Filing Report**”); **AND UPON** hearing counsel for the Applicants, counsel for the proposed Monitor, counsel for Canadian Western Bank (“**CWB**”), counsel for the Business Development Bank of Canada (“**BDC**”) and counsel to all other parties present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE AND INTERPRETATION**

1. The time for service of the application materials for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.
2. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Young Affidavit.

**APPLICATION**

3. The Applicants are companies to which the *Companies’ Creditors Arrangement Act* R.S.C. , 1985, c. C-36 (the “**CCAA**”) applies.
4. This Order serves as both the Initial Order and the Amended and Restated Initial Order.

5. The NOI Proceedings are hereby taken up and continued under the CCAA pursuant to section 11.6(a) of the CCAA and the provisions of Part III of the BIA shall have no further application to the Applicants. The NOI Proceedings shall have no further force and effect, and are hereby terminated, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Applicants during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, this includes approval of the fees and disbursements and activities of Grant Thornton Limited in its capacity as Proposal Trustee and the fees and disbursements of the Proposal Trustee's counsel in the NOI Proceedings. The Applicants are hereby directed and authorized to file a copy of this Order in the NOI Proceedings.
6. The Charges (as defined in the Consolidation Order) are hereby taken up and continued in these CCAA proceedings, subject to the amendments to such Charges described herein.

#### **PLAN OF ARRANGEMENT**

7. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the "**Plan**").

#### **POSSESSION OF PROPERTY AND OPERATIONS**

8. The Applicants shall:
  - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");
  - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property;
  - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; and

- (d) be entitled to continue to utilize the central cash management system and reconciliation systems currently in place as described in the Young Affidavit.
- 9. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
  - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
- 10. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
  - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
  - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
- 11. The Applicants shall remit, in accordance with legal requirements, or pay:
  - (a) any amount that becomes due to His Majesty after the order is made and could be subject to a demand under,
    - (i) subsection 224(1.2) of the *Income Tax Act*;
    - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, an employee's premium, or employer's premium, as defined in

the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or

- (iii) any provision of provincial legislation that has a purpose similar to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, and the sum:

- A. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or

- B. is of the same nature as a contribution under the *Canada Pension Plan* if the province is a province providing a comprehensive pension plan as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a provincial pension plan as defined in that subsection;

- (b) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

- (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.

- 12. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the

lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.

13. Except as specifically permitted in this Order, the Applicants are hereby directed, until further order of this Court:
- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order other than the payments approved and made pursuant to the Consolidation Order;
  - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
  - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

#### **RESTRUCTURING**

14. The Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:
- (a) permanently or temporarily cease, downsize or shut down any portion of their business or operations and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
  - (b) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
  - (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deems appropriate, in accordance with section 32 of the CCAA; and



- (d) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

15. The Applicants shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days’ notice to such landlord and any such secured creditors. If the Applicants disclaims or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicant’s claim to the fixtures in dispute.
16. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
  - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours’ prior written notice; and
  - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein

shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

17. Until and including April 2, 2025 or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

18. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
  - (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
  - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
  - (c) prevent the filing of any registration to preserve or perfect a security interest;
  - (d) prevent the registration of a claim for lien; or
  - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
19. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such

party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

### **NO INTERFERENCE WITH RIGHTS**

20. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

### **CONTINUATION OF SERVICES**

21. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, consulting services, insurance, transportation, services, utility, or other services to the Business or the Applicants

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued services, provided in each case that the usual charges for all such goods and services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

22. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than

the DIP Lenders (as defined herein) where applicable, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

23. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 20 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

### **APPOINTMENT OF MONITOR**

24. A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein. The Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
25. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
  - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately

report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicant;

- (c) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (d) assist the Applicants, to the extent required by the Applicants, in their dissemination to the DIP Lenders (as defined herein) and their respective counsel;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

26. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other

contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

27. The Monitor shall provide any creditor of the Applicants, the Original DIP Lender (up to and until the repayment of all obligations, liabilities, and indebtedness under the Original DIP Facility), and the DIP Lenders (as defined herein) with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
28. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

#### **AMENDED ADMINISTRATION CHARGE**

29. The Monitor, the Monitor's counsel, and the Applicants' counsel shall be paid their reasonable fees and disbursements incurred both before and after the granting of the Consolidation Order in the NOI Proceedings (including any pre-filing fees and disbursements related to these CCAA proceedings) and both before and after the granting of this Order, in each case at their standard rates and charges, as part of the costs of these proceedings.
30. The Monitor and its legal counsel shall pass their accounts from time to time.
31. The Monitor, the Monitor's counsel, and the Applicants' counsel, as security for the professional fees and disbursements incurred at the normal rates and charges both before and after the granting of this Order, shall be entitled to the benefits of the Administration

Charge on the Property granted in the Consolidation Order, that has been taken up and continued as part of these CCAA proceedings, which charge is hereby amended to include security for the professional fees and disbursements incurred by the Monitor and its counsel, and which charge shall not exceed the aggregate amount of \$300,000 (the **"Amended Administration Charge"**).

32. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Applicants as such accounts are rendered using the proceeds of the Original DIP Facility and the New DIP Facility (as defined herein). The Monitor and its counsel shall be authorized to immediately apply any such payments made by the Applicants to their fees and disbursements and such amounts shall constitute advances against remuneration and disbursements when and as approved by this Court.
33. The Amended Administration Charge shall have the priority set out in paragraph 40 herein.

#### **INTERIM FINANCING**

34. The Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (the **"New DIP Facility"**) from CWB and BDC (collectively, in such capacity, the **"DIP Lenders"**) in order to refinance the Original DIP Facility and to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, on and subject to the terms and conditions of the Term Sheet (as defined herein) substantially in the form attached as Appendix "E" to the Pre-Filing Report of the Monitor dated February 18, 2025, provided that borrowings under such credit facility shall not exceed \$2.5 million unless permitted by further order of this Court.
35. Such credit facility shall be on the terms and subject to the conditions set forth in the DIP Facility Term Sheet between the Applicants and the DIP Lenders dated as of January 19, 2025 (the **"Term Sheet"**), filed.
36. The Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, the **"Definitive Documents"**), as are contemplated by the Term Sheet or as may be reasonably required by the DIP Lenders

pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the DIP Lenders under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. The Original DIP Lender's Charge under the Consolidation Order is hereby taken up and continued in the CCAA Proceedings, provided that such Original DIP Lender's Charge shall be and is hereby amended and restated (as so amended and restated, the **"Amended DIP Lenders' Charge"**) as follows:

- (a) the Original DIP Lender shall continue to be entitled to the full benefit of the Original DIP Lender's Charge, on the terms set forth in the Consolidation Order, up to and until such time as the Original DIP Lender is repaid, in full, with respect to all indebtedness, liabilities, and obligations of the Applicants to the Original DIP Lender under the Original DIP Facility (the **"Original DIP Obligations"**), from the proceeds of the New DIP Facility. From and after such time, the Original DIP Lender's Charge shall terminate in relation to the Original DIP Lender and the Original DIP Facility and shall instead apply to the DIP Lenders and the New DIP Facility, *mutatis mutandis*, as amended hereby. The Applicants are hereby authorized and directed to utilize a portion of the initial advance to be made under the New DIP Facility to repay such Original DIP Obligations and, for greater certainty, the DIP Lenders are hereby authorized, but not directed, to pay such amounts directly to the Original DIP Lender, for and on behalf of the Applicants, and any payment so made by the DIP Lenders shall be deemed to be an advance under the New DIP Facility, the Term Sheet, and the Definitive Documents;
- (b) subject to paragraph 37(a), the DIP Lenders shall be entitled to the benefits of and are hereby granted the Amended DIP Lenders' Charge on the Property, to secure all obligations under the New DIP Facility, the Term Sheet, and Definitive Documents incurred on or after the date of this Order, which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the Definitive Documents. The Amended DIP Lenders' Charge shall not secure any obligation existing before this the date this Order is made (provided, for



greater certainty, that all amounts advanced by the DIP Lenders to refinance the Original DIP Obligations shall be secured by such Amended DIP Lenders' Charge). The Amended DIP Lenders' Charge shall have the priority set out in paragraphs 40 and 42 hereof and the DIP Lenders shall each rank equally with respect to the Amended DIP Lenders' Charge; and

- (c) from the time of the first advance under the New DIP Facility, up to and until the actual time of repayment of the Original DIP Obligations, the DIP Lenders shall rank *pari passu* with the Original DIP Lender in respect of any advances made under the New DIP Facility and the Original DIP Facility, respectively.

38. Notwithstanding any other provision of this Order:

- (a) the DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the Amended DIP Lenders' Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Term Sheet, the Definitive Documents or the Amended DIP Lenders' Charge, the DIP Lenders, upon five (5) days notice to the Applicants and the Monitor, may exercise any and all of their rights and remedies against the Applicants or the Property under or pursuant to the Term Sheet, the Definitive Documents, and the Amended DIP Lenders' Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lenders under the Term Sheet and the Definitive Documents to the Applicants, against the obligations of the Applicants to the DIP Lenders under the Term Sheet, the Definitive Documents, or the Amended DIP Lenders' Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of

the Applicants or the Property.

39. The DIP Lenders shall be treated as unaffected in any Plan filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the BIA, with respect to any advances made under the Term Sheet, the Definitive Documents, and the New DIP Facility.

#### **VALIDITY AND PRIORITY OF CHARGES**

40. The Administration Charge and Original DIP Lender's Charge created by the Consolidation Order are hereby taken up and continued in the CCAA proceedings and are amended as set out herein in the form of the Amended Administration Charge and the Amended DIP Lenders' Charge. The priorities of the Charges (defined below), as among them, shall be as follows:

- (a) **first** – the **Amended Administration Charge** in favour of the Monitor, its legal counsel, and the Applicants' legal counsel in respect of their fees and disbursements, up to the maximum amount of \$300,000; and
- (b) **second** – the **Amended DIP Lender's Charge** in favour of the DIP Lenders up to the maximum principal amount of \$2,500,000; provided that, until the repayment of the Original DIP Obligations, the Original DIP Lender's Charge shall continue to apply in favour of the Original DIP Lender and shall continue to be limited to the maximum principal amount of \$1,500,000,

(collectively, the "**Charges**").

41. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and 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.
42. Each of the Charges shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or

otherwise (collectively, "**Encumbrances**") in favour of any Person.

43. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, CWB, BDC, and the beneficiaries of the Charges, or further order of this Court.
44. The Charges, the Term Sheet, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, 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 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 any of 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, including the Term Sheet or the Definitive Documents, shall create or be deemed to constitute a new breach by any Applicant of any Agreement to which it 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, the Applicants entering into the Term Sheet, or the execution, delivery or performance of the Definitive Documents; and
- (iii) the payments made by the Applicant pursuant to this Order, including the Term Sheet or the Definitive Documents, 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.

#### **RELIEF FROM REPORTING OBLIGATIONS**

- 45. The decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the “**Securities Filings**”) that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act (Ontario)*, R.S.O., c. S.5 and comparable statutes enacted by other provinces of Canada, the TSX Company Manual and other rules, regulations and policies of the Toronto Stock Exchange and (collectively, the “**Securities Provisions**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.
- 46. None of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants.

## ALLOCATION

47. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

## SERVICE AND NOTICE

48. The Monitor shall (i) without delay, publish in the Globe and Mail a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
49. The Monitor shall establish or continue a case website in respect of the within proceedings (the "**Monitor's Website**").
50. The Applicants and the Monitor shall be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicants' creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.
51. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's Website.

## GENERAL

52. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
53. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
54. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.
55. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
56. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
57. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

58. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

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Justice of the Court of King's Bench of Alberta

## **SCHEDULE "B"**



Clerk's Stamp:

COURT FILE NUMBER	2501-02606
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF	CALGARY
MATTER	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 ROYAL HELIUM LTD., IMPERIAL HELIUM CORP., AND ROYAL HELIUM EXPLORATION LIMITED.
APPLICANTS:	ROYAL HELIUM LTD., IMPERIAL HELIUM CORP., AND ROYAL HELIUM EXPLORATION LIMITED.
DOCUMENT	<b><u>SISP APPROVAL ORDER</u></b>
CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	<b>Reconstruct LLP</b> 80 Richmond Street West Suite 1700 Toronto, ON, CA M5H 2A4 <b>Caitlin Fell / Sharon Kour</b> Tel: 416.613.8282 / 416.613.8283 Fax: 416.613.8290 Email: <a href="mailto:cfell@reconllp.com">cfell@reconllp.com</a> / <a href="mailto:skour@reconllp.com">skour@reconllp.com</a> File No: 00482
DATE ON WHICH ORDER WAS PRONOUNCED:	<b>February 19, 2025</b>
NAME OF JUDGE WHO MADE THIS ORDER:	<b>Justice D. R. Mah</b>
LOCATION OF HEARING:	<b>Edmonton, Alberta</b>

**UPON** the application of Royal Helium Ltd., Imperial Helium Corp. and Royal Helium Exploration Limited (collectively, the "**Applicants**") pursuant to section 11.6(a) of the *Companies' Creditors Arrangement Act* R.S.C., 1985, c. C-36 (the "**CCAA**"); **AND UPON** having read the Originating Application, the Affidavit of David Young sworn February 10, 2025 (the "**Young Affidavit**"); the Affidavit of David Young sworn February 14, 2025 (the "**Supplementary Young Affidavit**"); the Affidavit of Service of Alina Stoica sworn February 10, 2025; and the Affidavit of

Service of Alina Stoica sworn February 14, 2025; **AND UPON** reading the pre-filing report of Alvarez & Marsal Canada Inc. (the “**Monitor**”) dated February 18, 2025, filed; **AND UPON** hearing counsel for the Applicants, counsel for the Monitor, and counsel to all other parties present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

#### **SERVICE AND INTERPRETATION**

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.

#### **APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS**

2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the sales and investment solicitation process (the “**SISP**”) attached hereto as **Schedule “A”**.
3. The SISP is approved in the form attached, which includes all or part of the Applicants’ Property and Business as defined in the SISP, without exception. Applicants, the Monitor and their advisors are empowered, authorized and directed to implement the SISP, perform their respective obligations under the SISP and to do all things reasonably necessary to perform their obligations under the SISP.
4. The steps taken by the Applicants or the Monitor in connection with the SISP prior to the date of this Order, as described in the Pre-Filing Report, are approved and ratified.
5. Each of the Applicants, the Monitor and their respective affiliates, partners, directors, employees, advisors (including but not limited to legal counsel), agents, shareholders and controlling persons shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the SISP or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct of any of the foregoing in performing their obligations under the SISP (as determined by this Court). Pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Applicants and the Monitor may disclose personal information of identifiable individuals to Potential Bidders and their advisors in connection with the

SISP, but only to the extent desirable or required to carry out the SISF. Each Potential Bidder (and their respective advisors) to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of a transaction in respect of the Applicants and the Property, and if it does not complete such a transaction, shall return all such information to the Monitor, or in the alternative destroy all such information. The Successful Bidder shall be entitled to continue to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Applicants and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed.

6. In overseeing and conducting the SISF, the Monitor shall have all of the benefits and protections granted to it under the CCAA and any Order of this Court in the within proceeding.
7. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
8. Notwithstanding Rule 6.11 of the Alberta Rules of Court, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
9. Service of this Order shall be deemed good and sufficient by serving the same by posting a copy of this Order on the Monitor's website at [www.alvarezandmarsal.com/royalhelium](http://www.alvarezandmarsal.com/royalhelium).

## **Schedule “A”**

### **Sale and Investment Solicitation Process**

## Schedule “A”

### Bidding Procedures for the Sale Investment and Solicitation Process

#### Introduction

1. On January 17, 2025 (the “**Filing Date**”), Royal Helium Ltd., Royal Helium Exploration Limited, and Imperial Helium Corp. (together, the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, 1985, c. B-3 (the “**BIA**”, and the proceedings, the “**NOI Proceedings**”).
2. Grant Thornton Limited, a licensed insolvency trustee, was appointed as Proposal Trustee of the Company in the NOI Proceedings.
3. On January 29, 2025, the Company obtained an order (the “**Consolidation Order**”) from the Ontario Superior Court of Justice (Commercial List) which, among other things, consolidated the NOI Proceedings, approved a debtor in possession facility in the amount of \$1,500,000 (the “**DIP Facility**”), and ordered that the NOI Proceedings be transferred to the Alberta Court of King’s Bench.
4. On February 10, 2025, the Company filed an application with the Alberta Court of King’s Bench (Commercial List) (the “**Court**”) pursuant to section 11.6(a) of the *Companies’ Creditors Arrangement Act*, 1985, c C-36 (“**CCAA**”), to continue the NOI Proceedings thereunder. Canadian Western Bank and Business Development Bank of Canada (together, the “**Lenders**”) are currently the primary secured lenders of the Company and, in that capacity, the Lenders will have certain consultation rights as specifically provided for below.
5. On February 19, 2025, the Court granted an initial order (the “**Initial Order**”) pursuant to the CCAA, among other things, converting the NOI Proceedings to proceedings under the CCAA (the “**CCAA Proceedings**”): appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as the monitor (the “**Monitor**”) of the Company; taking up and continuing certain charges granted in the Consolidation Order, including a charge up to a maximum amount of \$1,500,000 in favour of Energy & Specialty Gases DIP, LLC (the “**DIP Lender**”) to secure the DIP Facility; and amending certain charges granted in the Consolidation Order, including the \$300,000 charge in favour of certain professional fees (the “**Administrative Charge**”).
6. On February 19, 2025, the Court granted an order authorizing the Monitor and the Company to undertake a sale and investment solicitation process (“**SISP**”) to solicit offers for the sale of the Company’s: (A) property, assets and undertaking (collectively, the “**Property**”), and/or (B) business operations (the “**Business**”), or for the restructuring, recapitalization or refinancing of the Business (the “**SISP Approval Order**”). The SISP will be conducted by the Monitor, working in conjunction with the Company, in the manner set forth herein and in accordance with the SISP Approval Order.
7. Among other things, the SISP Approval Order approved the procedures set out in this Schedule (the “**Bidding Procedures**”) for the solicitation of offers (each, a “**Bid**”) for the acquisition of the Property and/or the Business or some portion thereof or the restructuring, recapitalization or refinancing of the Business.

## Bidding Procedures

### *Opportunity*

8. The SISP is intended to solicit interest in and opportunities for a sale of all or part of the Company's Property and Business (the "**Opportunity**"). The Opportunity may include one or more of a sale of all, substantially all or one or more components of the Company's Property and Business as a going concern or otherwise and/or the restructuring, recapitalization or refinancing of the Business.
9. Any sale of any of the Property and/or the Business will be on an "*as is, where is*" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Company, the Lenders or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Company in and to the Property or the Business to be acquired will be sold free and clear of, *inter alia*, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders and definitive documents.
10. The Bidding Procedures describe the manner in which prospective bidders may gain access to due diligence materials concerning the Company, the Property and the Business, the manner in which bidders may participate in the SISP, the requirement of and the receipt and negotiation of Bids received, the ultimate selection of a Successful Bidder (as defined below) and the requisite approvals to be sought from the Court in connection therewith.
11. The Monitor and the Company shall be entitled to consult with the Lenders in respect of any matter relating to these Bidding Procedures; and, (ii) the Monitor and the Company shall be entitled to disclose to the Lenders confidential information concerning the SISP, including any list of potential purchasers or investors, information regarding the identity and number of bidders or prospective bidders participating in the SISP from time to time, the number of bids received and the terms of any bids received, and any similar information in connection with the SISP, including, but not limited to, any such information as may be included in the VDR (as defined in paragraph 20).
12. The Monitor, in consultation with the Company and the Lenders, may at any time and from time to time, modify, amend, vary or supplement the Bidding Procedures, without the need for obtaining an order of the Court or providing notice to Qualified Bidders, Binding Offer Bidders or the Successful Bidder(s) (as each are defined below) provided that such modification, amendment, variation or supplement is expressly limited to changes that do not alter, amend or prejudice the rights of such bidders and are necessary or useful in order to give effect to the substance of the SISP, the Bidding Procedures or the SISP Approval Order. Notwithstanding the foregoing; (i) the dates or time limits indicated in the table contained below may be extended by the Monitor, in consultation with the Company and the Lenders, as the Monitor deems necessary or appropriate, or by order of the Court.
13. The Monitor will post on the Monitor's website and serve on the service list maintained in the CCAA Proceedings, as soon as practicable, any such modification, amendment, variation or supplement to these Bidding Procedures and inform the bidders impacted by such modifications.

14. The SISP will be conducted by the Monitor, in coordination with the Company, and in the manner set forth herein and in accordance with the SISP Approval Order. In the event of a dispute as to the interpretation or application of the SISP Approval Order or these Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute. For the avoidance of doubt, all bidders shall be deemed to have consented to the jurisdiction of the Court in connection with any disputes relating to the SISP, including the qualification of Bids, the enforcement of the SISP, and the closing of a Successful Bid, as applicable.
15. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, the Auction and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
16. A summary of the key dates pursuant to the SISP is as follows:

<b>Milestone</b>	<b>Date</b>
Commence solicitation of interest from parties, including delivering NDA and Teaser Letter, and upon execution of NDA (each as defined below) and access to VDR	As soon as practical following the date of the SISP Approval Order.
Phase I Bid Deadline (non-binding letter of intent)	By no later than 5:00 p.m. (Mountain Time) on March 28, 2025,
Binding Offer Deadline (as defined below) – Phase II Bid Deadline	By not later than 5:00 p.m. (MT) on April 18, 2025
Auction, if needed	By no later than April 23, 2025.
Selection of Successful Bid	By no later than April 23, 2025.
Approval Motion (as defined below)	By no later than May 2, 2025, or the earliest date available thereafter.
Closing of Successful Bid	As soon as possible but no later than May 9, 2025.

### **Solicitation of Interest: Notice of the SISP**

17. As soon as reasonably practicable after the granting of the SISP Approval Order,
  - (a) the Monitor shall cause a notice of the SISP to be published in the Globe & Mail (National Edition) and any other relevant paper or online industry at the discretion of the Monitor;
  - (b) the Company and the Monitor will prepare a list of potential bidders, including: (i) parties that have approached the Company or the Monitor indicating an interest in the Opportunity prior to the date of the SISP Approval Order; and (ii) local, national, and international financial and strategic parties who the Company and the Monitor believe may have an interest in submitting a Bid for the Property and/or the Business, in each case whether or not such party has submitted a letter of intent or similar document (collectively, the **"Known Potential Bidders"**); and
  - (c) the Company, with the review and final approval of the Monitor, will prepare and finalize: (i) a process summary (the **"Teaser Letter"**) describing the Opportunity, outlining the contemplated process under the SISP and inviting recipients of the Teaser Letter to express their interest; and (ii) a non-disclosure agreement in form and substance satisfactory to the Monitor and the Company and their respective counsel, which shall enure to the benefit of any purchaser of the Business or Property or any part thereof (an **"NDA"**).
18. As soon as reasonably practicable, but, in any event, by no later than five (5) business days after the granting of the SISP Approval Order, the Monitor, with the assistance of the Company will arrange to provide the Known Potential Bidders with a copy of the Bidding Procedures approved by the Court.
19. The Monitor will cause the Teaser Letter and NDA to be sent to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Company, the Monitor or the Lenders or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable. The Monitor will ensure the Company is informed of any or all Teaser Letter and NDAs that are sent to any parties hereto.



### ***Virtual Data Room***

20. A confidential virtual data room or rooms (collectively the “**VDR**”) in relation to the Opportunity will be made available by the Monitor to Potential Bidders (as defined below) that have executed the NDA. The VDR will be made available as soon as practicable. The Company, in consultation with the Monitor, may establish separate VDRs (including “**clean rooms**”), if the Company reasonably determines that doing so would prevent the distribution of commercially sensitive competitive information. The Monitor may also, in consultation with the Company, limit the access of any Potential Bidder to any confidential information in the VDR where the Monitor, in consultation with the Company, reasonably determines that such access could negatively impact the SISP, the ability to maintain the confidentiality of the information, the Business, the Property or their value. The Monitor will have access to the VDR and any clean rooms.

### ***Qualified Bidders***

21. Any party who wishes to participate in the SISP (a “**Potential Bidder**”) must provide to the Monitor and counsel to the Company, at the addresses specified in **Appendix “B”** hereto (including by email transmission), an NDA executed by it, acceptable to the Company and the Monitor, and written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
22. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a “**Qualified Bidder**” if the Monitor, in its reasonable judgment, and in consultation with the Company and the Lenders, determines such person is likely, based on the availability of financing, experience and other considerations, to be able to consummate a sale or liquidation transaction pursuant to the SISP. All Qualified Bidders will be granted access to the VDR. For greater certainty, no Potential Bidder or other party shall be deemed to be a Qualified Bidder without the approval of the Monitor, in consultation with the Company and the Lenders.
23. The Lenders shall not participate as bidders in the SISP, other than in accordance with paragraph 40 herein.
24. The Company, the Monitor, the Lenders and their respective advisors make no representation or warranty as to the information contained in the VDR, Teaser Letter or otherwise made available pursuant to the SISP.
25. At any time during the SISP the Monitor may, in its reasonable judgment, and in consultation with the Company and the Lenders, eliminate a Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a “Qualified Bidder” for the purposes of the SISP.
26. Potential Bidders must rely solely on their own independent review, diligence, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with respect to the Property and Business or any portion thereof.

## Due Diligence

27. The Monitor and the Company, shall, subject to competitive and other business considerations, afford each Qualified Bidder such access to available due diligence materials and information relating to the Property and Business as the Monitor, in consultation with the Company, may deem appropriate. Due diligence access may include management presentations, access to the VDR, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Monitor, in its reasonable judgment, and in consultation with the Company, may agree. Any access or interactions with the Company's management and personnel shall be coordinated through, and involve a representative of, the Monitor.
28. The Monitor will designate one or more representatives of the Monitor to be solely responsible for coordinating and responding to all requests for information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. Neither the Monitor, nor the Company through the Monitor, will be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Company, in consultation and agreement with the Monitor, determines such information to represent proprietary or sensitive competitive information.

## Non-Binding Offers

29. Any Qualified Bidder that wishes to make a formal offer to: (a) acquire all or substantially all of the Property or Business, whether through an asset purchase, a share purchase or a combination thereof (either one, a **"Sale Proposal"**); or (b) a portion of the Property or the Business (a **"Partial Sale Proposal"**); or (c) the restructuring, recapitalization or refinancing of the Business (a **"Investment Proposal"**) must submit a non-binding offer (a **"Non-Binding Offer"**) in the form of a Letter of Intent disclosing all material terms of the Non-Binding Offer, including, without limitation the source of financing or funding for the proposed transaction by no later than 5:00 p.m. (Mountain Time) on March 28, 2025 (the **"Phase I Bid Deadline"**). All Non-Binding Offers are to be submitted to the Monitor and copied to the Company.

## Formal Binding Offers

30. Any Qualified Bidder that wishes to make a formal binding offer for a Sale Proposal, Partial Sale Proposal or Investment Proposal must submit a binding offer (a **"Binding Offer"**):  
(i) in the case of a Sale Proposal or a Partial Sale Proposal, in the form of a purchase agreement, or (ii) in the case of a Financing Proposal, in the form of a financing agreement, both in form and substance satisfactory to the Monitor, in consultation with the Company and the Lenders, in each case, to the Monitor with copy to the Company, no later than 5:00 p.m. (Mountain Time) on April 18, 2025 (the **"Binding Offer Deadline"**).
31. A Binding Offer submitted by a Qualified Bidder (the **"Binding Offer Bidder"**) will be considered if it:
  - (a) is submitted on or before the Binding Offer Deadline by a Qualified Bidder;
  - (b) is made by way of binding, definitive transaction document(s) that is/are executed by the Binding Offer Bidder and contains reasonable particulars of the proposed transaction structure, including the form of Approval Order (which may, in appropriate circumstances, include a reverse vesting order);
  - (c) in the case of a Sale Proposal or Partial Sale Proposal, identifies any executory contracts and leases of the Company that the Binding Offer Bidder will assume and clearly describes, for each contract or on an aggregate basis, how all monetary defaults and non-monetary defaults will be remedied, as applicable;
  - (d) is not subject to any financing condition, diligence condition or internal or board approval;
  - (e) is unconditional, other than upon the receipt of the Approval Order(s) (as defined below) and satisfaction of any other conditions expressly set forth in the Binding Offer;
  - (f) contains or identifies the key terms and provisions to be included in any Approval Order;
  - (g) in the case of a Sale Proposal or Partial Sale Proposal, contains the Binding Offer Bidder's proposed treatment of employees of the Company (for example, anticipated employment offers and treatment of post-employment benefits);
  - (h) includes acknowledgments and representations of the Binding Offer Bidder that it:
    - (i) has had an opportunity to conduct any and all due diligence regarding the Opportunity prior to making its Binding Offer;
    - (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property and/or the Business in making its Binding Offer;
    - (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Opportunity or the completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer;
    - (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable governmental authorities;

- (i) includes evidence satisfactory to the Monitor of funds available to pay the purchase price on closing;
- (j) provides for any anticipated corporate, licensing, securityholder, legal or other regulatory approvals required to close the transaction, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals (or, in the case of any such approvals which are already held by the Qualified Bidder, identifies such approvals);
- (k) does not provide for any break or termination fee, expense reimbursement or similar type of payment, it being understood and agreed that no bidder will be entitled to any bid protections;
- (l) in the case of a Sale Proposal or Partial Sale Proposal, includes:
  - (i) the specific purchase price in Canadian dollars and a description of any non-cash consideration;
  - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
  - (iii) a specific indication of the sources of capital for the Binding Offer Bidder and the structure and financing of the transaction; and
  - (iv) a description of those liabilities and obligations (including operating liabilities) which the Binding Offer Bidder intends to assume and which such liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
- (m) in the case of an Investment Proposal, includes the scope of the investment in the Business, which may include one or more of the following: a restructuring, recapitalization or other form of reorganization of the Business and affairs of the Company as a going concern, together with a plan of compromise or arrangement pursuant to the CCAA;
- (n) includes payment of a deposit in the amount of not less than 20% of the cash purchase price payable on closing (the “**Deposit**”) by wire transfer to the Monitor;
- (o) is accompanied by an acknowledgement that if the Binding Offer Bidder is selected as a Successful Bidder, that the Deposit will be non-refundable subject to approval of such Successful Bid by the Court and the terms described in paragraph 45 below;
- (p) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on the date that is ten (10) days from the date of the issuance of the Approval Order approving such bid, or such earlier date as is practical for the parties to close the contemplated transaction, following the satisfaction or waiver of the conditions to closing and in any event no later than April 7, 2025 (the “**Outside Date**”);
- (q) provides sufficient consideration to repay or otherwise address the indebtedness owing to the Lenders (the “**Lender Secured Indebtedness**”) to the satisfaction of the Lenders in their sole discretion; and

- (r) includes such other information as reasonably requested or identified as being necessary or required by the Monitor, in consultation with the Company.
32. The DIP Lender, the Lenders (solely pursuant to and in accordance with paragraph 40 herein), and any other secured creditor of the Company shall have the right (subject to compliance with the terms of this SISP) to credit bid their secured debt against the assets secured thereby up to the full face value of such secured lender's claims, including principal, interest and any other obligations owing to such secured lender; provided that any such secured lender shall be required to: (a) pay in full in cash, or assume (with the consent of the holder of the priority claim), any obligations of the Company in priority to or *pari passu* with its secured debt; and (b) pay appropriate consideration for any assets of the Company which are contemplated to be acquired and that are not subject to such secured lender's security.
33. By submitting an offer for consideration as a Binding Offer, it is deemed that such Binding Offer: (i) may, if such Binding Offer is selected as the Successful Bid, be accepted by the Company by countersigning the Binding Offer, and (ii) is irrevocable and capable of acceptance until the earlier of (A) two (2) business days after the date of closing of the applicable Successful Bid; and (B) the Outside Date.
34. The Monitor, in its reasonable judgment, and in consultation with the Company and the Lenders may waive compliance with any one or more of the requirements specified above and consider such non-compliant Binding Offer. For the avoidance of doubt, the completion of any Binding Offer shall be subject to the approval of the Court.
35. The Monitor, in consultation with the Company, may aggregate separate bids from unaffiliated Binding Offers to create one or more Qualified Bid(s) (an "**Aggregated Bid**").

### **Evaluation of Competing Bids**

36. A Binding Offer will be evaluated based upon several factors, including, without limitation, items such as the purchase price and the net value and form of consideration to be paid pursuant to such bid (including the extent of value available to creditors of the Company), the identity, circumstances and ability of the Binding Offer Bidder to successfully complete such transactions, including any conditions attached to the bid and the expected feasibility of such conditions, the proposed transaction documents, factors affecting the speed, certainty and value of the transaction, the assets included or excluded from the bid, any related restructuring costs, compliance or eligibility with respect to regulatory requirements, the likelihood and timing of consummating such transactions, and the ability of the bidder to finance and ultimately consummate the proposed transaction within the timeline established by the Monitor, in consultation with the Company and Lenders.

### **Selection of Successful Bid**

37. The Monitor in consultation with the Company and the Lenders may, following the receipt of any Binding Offer, including one or more Binding Offers comprising an Aggregated Bid, seek clarification with respect to any of the terms or conditions of such Binding Offer and/or request and negotiate one or more amendments to such Binding Offer prior to determining if the Binding Offer should be considered.

38. The Monitor, in consultation with the Company, may negotiate with Binding Offer Bidders, including Binding Offers comprising an Aggregated Bid, in any manner it considers appropriate in its business judgment with a view to maximizing the value of the Property, including at the Auction (as defined below).
39. The Monitor and the Company will, in consultation with the Lenders: (i) review and evaluate each relevant Binding Offer; and (ii) subject to paragraph 41 (j) below: (A) identify the highest and otherwise best Binding Offer (the “**Successful Bid**”, and the Binding Offer Bidder making such Successful Bid, the “**Successful Bidder**”); and (B) the next highest and otherwise second best Binding Offer (the “**Back-Up Bid**”, and the Binding Offer Bidder making such Back-Up Bid, the “**Back-Up Bidder**”). The Monitor, in consultation with the Company and the Lenders, may consider any commercial factor in evaluating Binding Offers, including speed, certainty, value and preservation of employment.
40. From and after the Binding Offer Deadline, but prior to the commencement of any Auction if any, in the event that no offer is received (including an offer received by the DIP Lender) that provides sufficient consideration to repay or otherwise address the indebtedness owing to the Lenders to the satisfaction of the Lenders, the Lenders (or any one of them) shall be entitled to repay the DIP Facility in full and: (i) credit bid some or all of the amount of the DIP Facility and the Lender Secured Indebtedness, and such credit bid submitted by the Lenders (or any of them) shall be deemed to be the Successful Bid; or (ii) agree to fund an alternate process to realize on the Company’s assets.
41. If the Monitor, in consultation with the Company and the Lenders, determines that more than one Binding Offers should be considered, the Monitor may, in consultation with the Company and the Lenders, without being obligated to do so, conduct an auction (the “**Auction**”) to select the highest and/or best Binding Offer in accordance with the procedures set out below.
- (a) The Auction will commence at a time to be designated by the Monitor and may, in the discretion of the Monitor, be held virtually via videoconference, teleconference or such other reasonable means as the Monitor deems appropriate. The Monitor will consult with the parties permitted to attend the Auction to arrange for the Auction to be so held. Subject to the terms hereof, the Monitor, in consultation with the Company and Lenders, may postpone the Auction.
  - (b) Except as otherwise permitted in the Monitor’s discretion, only the Company, the Monitor, the Lenders and the Binding Offer Bidders, and, in each case, their respective professionals and representatives, will be permitted to attend the Auction. Only Binding Offer Bidders are eligible to participate in the Auction.
  - (c) Binding Offer Bidders will participate in the Auction through a duly authorized representative who has the authority to make binding offers on behalf of the Binding Offer Bidder at the Auction.
  - (d) Except as otherwise set forth herein, the Monitor may waive and/or employ and announce at the Auction additional rules, including rules to facilitate the participation of parties participating in an Aggregated Bid, that are reasonable under the circumstances for conducting the Auction, provided that such rules are:

- (i) Not materially inconsistent with the Initial Order, the SISP, the Bidding Procedures, the CCAA, or any order of the Court issued in connection with the CCAA Proceedings;
  - (ii) disclosed to each Binding Offer Bidder; and (iii) designed, by the Monitor, in its reasonable judgment, and in consultation with the Company, to result in the highest and otherwise best offer.
- (e) The Monitor may arrange for the actual bidding at the Auction to be transcribed or recorded. Each Binding Offer Bidder participating in the Auction will designate a single individual to be its spokesperson during the Auction.
- (f) Each Binding Offer Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Company or any other person, including any other Binding Offer Bidder, or any of the respective representatives of such persons, without the consent of the Monitor, regarding the SISP, that has not been disclosed to all other Binding Offer Bidders.
- (g) Prior to the Auction, the Monitor will identify the highest and best of the Binding Offers received and such Binding Offers will constitute the opening bid for the purposes of the Auction (the “**Opening Bid**”). Subsequent bidding will continue in minimum increments valued at not less than \$50,000.00 cash in excess of the Opening Bid (each and “**Overbid**”). Each Binding Offer Bidder will provide evidence of its financial wherewithal and ability to consummate the transaction at the increased purchase price. Further, in the event that an Aggregated Bid qualifies to participate in the Auction, modifications to the bidding requirements may be made by the Monitor, in consultation with the Company, to facilitate bidding by the participants in the Aggregated Bid.
- (h) All Binding Offer Bidders will have the right, at any time, to request that the Monitor announce, subject to any potential new Bids, the then-current highest and best Bid and, to the extent requested by any Binding Offer Bidder, use reasonable efforts to clarify any and all questions such Binding Offer Bidder may have regarding the Monitor’s announcement of the then-current highest and best bid.
- (i) Each participating Binding Offer Bidder will be given reasonable opportunity to submit an overbid at the Auction to any then-existing overbids. The Auction will continue until the bidding has concluded and there is one remaining Binding Offer Bidder. The Monitor and the Company, in consultation with the Lenders, shall determine which Binding Offer Bidders have submitted: (i) the highest and otherwise best Binding Offer of the Auction, which shall be a Successful Bid, and (ii) the next highest and otherwise second best Binding Offer of the Auction, which shall be a Back-Up Bid. At such time and upon the conclusion of the bidding, the Auction will be closed, and the Binding Offer Bidder with the highest and otherwise best Binding Offer of the Auction will be a Successful Bidder. The Binding Offer Bidder with the next highest and otherwise second best Binding Offer of the Auction will be a Back-Up Bidder.
- (j) Upon selection of a Successful Bidder(s) and the Back-Up Bidder, if any, the Successful Bidder(s) and the Back-Up Bidder, if any, shall deliver to the Monitor and the Company, an amended and executed transaction document that reflects

their final Bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the motion material for the hearing to consider the Approval Motion.

- (k) Any Bids submitted after the conclusion of the Auction will not be considered.
  - (l) The Monitor, in consultation with the Company, shall be at liberty to modify or to set additional procedural rules for the Auction as it sees fit, including to conduct the Auction by way of written submissions.
42. A Successful Bid and a Back-Up Bid, if any, will be selected by no later than 5:00 p.m. (Mountain Time) on April 23, 2025 (or such later date immediately thereafter if the Auction is conducted and not completed in one day). If a Back-Up Bid is identified in accordance with the SISP, then such Back-Up Bid shall remain open until the date (the “**Back-Up Bid Outside Date**”) on which the transaction contemplated by the applicable Successful Bid is consummated or such earlier date as the Monitor, in consultation with the Company, determines. If the transactions contemplated by the applicable Successful Bid have not closed by the Outside Date, as applicable, or the applicable Successful Bid is terminated for any reason prior to the Outside Date, as applicable, the Company and the Monitor may elect to, or by further order of the Court, seek to complete the transactions contemplated by the applicable Back-Up Bid, and will promptly seek to close the transaction contemplated by such Back-Up Bid, which will be deemed to be a Successful Bid. The Company will be deemed to have accepted such Back-Up Bid only when the Company and the Monitor have made such election.

#### ***Approval of Successful Bid***

43. The Company will apply to the Court (the “**Approval Motion**”) for one or more orders: (i) approving the Successful Bid(s) and authorizing the taking of such steps and actions and completing such transactions as are set out therein or required thereby (such order shall also approve the Back-Up Bid(s), if any, should the Successful Bid(s) not close for any reason); and (ii) granting a vesting order(s) to the extent that such relief is contemplated by the Successful Bid(s) so as to vest title to any purchased assets and/or shares in the name of the applicable Successful Bidder(s) (collectively, the “**Approval Order(s)**”). The Approval Motion will be held on a date to be scheduled by the Company, in consultation with the Monitor and the Lenders, and confirmed by the Court upon application by the Company. With the consent of the Monitor, the Approval Motion may be adjourned or rescheduled by the Company without further notice, by an announcement of the adjourned date at the Approval Motion or in a notice to the service list maintained in the CCAA Proceedings prior to the Approval Motion. The Company will consult with the Monitor, the Lenders and the applicable Successful Bidder regarding the motion material to be filed by the Company for the Approval Motion.
44. All Binding Offers (other than the Successful Bid(s) but including the applicable Back-Up Bid(s)) will be deemed rejected on and as of the date of the closing of the applicable Successful Bid(s), with no further or continuing obligation of the Company or the Monitor to any unsuccessful Binding Offer Bidders.

#### ***Deposits***

45. The Deposit(s):



- (a) will, upon receipt from the Binding Offer Bidder(s), be retained by the Monitor and deposited in a non-interest-bearing trust account;
- (b) received from the Successful Bidder(s) and the Back-Up Bidder will:
  - (i) be applied to the purchase price to be paid by the applicable Successful Bidder of the Back-Up Bidder whose Successful Bid or Back-Up Bid, as applicable, is the subject of the Approval Order(s), upon closing of the approved transaction; and
  - (ii) otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of the applicable Successful Bid or Back-Up Bid, provided that (A) all such documentation will provide that the Deposit, will be fully refunded to the Back-Up Bidder on the Back-Up Bid Outside Date; and (B) all such documentation will provide that the Deposit will be retained by the Company and forfeited by the Successful Bidder, if its Successful Bid fails to close by the Outside Date and such failure is attributable to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of its Successful Bid; and
- (c) received from the Binding Offer Bidder(s) that are not a Successful Bidder or a Back-Up Bidder will be fully refunded to the Binding Offer Bidder(s) that paid the Deposit(s), as applicable, as soon as practical following the closing of the applicable Successful Bid.

***“As is, Where is”***

- 46. Any sale (or sales), including in the case of liquidation, of the Property or the Business or portions thereof will be on an **“as is, where is”** basis except for representations and warranties that are provided in writing in any definitive documents. Any such representations and warranties provided for in the definitive documents will not survive closing.

**Confidentiality**

- 47. Unless otherwise set out herein, other than as required in connection with any Auction or Approval Motion or as otherwise ordered by the Court, neither the Company nor the Monitor will disclose: (i) the identity of any Potential Bidder or Qualified Bidder; or (ii) the terms of any bid, Sale Proposal, Partial Sale Proposal, or Binding Offer, to any other bidder or any of its affiliates, except to the extent the Monitor, with the consent of such applicable parties is seeking to combine separate Bids into Aggregated Bids. Potential Bidders, Qualified Bidders, Known Potential Bidders, Binding Offer Bidders and each of their respective affiliates shall not communicate with, or contact, directly or indirectly, any other Potential Bidder, Qualified Bidder, Known Potential Bidder, Binding Offer Bidder, or their respective affiliates, without the express written consent of the Monitor, and such communications or discussions are to take place under the supervision of the Monitor. For greater certainty, nothing in this section shall limit the ability of the Monitor or the Company to disclose information in relation to the identity of any Potential Bidder or Qualified Bidder

or the terms of any bid, Sale Proposal, Partial Sale Proposal, or Binding Offer, to the Lenders.

### **Further Orders**

48. At any time during the SISP, the Company or the Monitor may apply to the Court for advice and directions with respect to any aspect of this SISP including, but not limited to, the continuation of or termination of the SISP or with respect to the discharge of its powers and duties hereunder.

### **Additional Terms**

49. In addition to any other requirement of the SISP, prior to seeking Court approval for any transaction or Bid contemplated by this SISP, the Monitor will provide a report to the Court on the SISP, parts of which may be filed under seal, including in respect of any and all Bids received.
50. Notwithstanding the terms of the SISP and these Bidding Procedures, the Company may, with the consent of the Monitor and the Lenders (other than any Lender that has indicated an intention to bid in the SISP), at any time bring an application to seek approval of a stalking horse bid in respect of some or all of the Property or the Business and related bid procedures, including to establish further or other bid procedures or the extension of any timeline set out herein.
51. The Monitor may, with the consent of the Company and the Lenders, terminate the SISP in relation to all or any part of the Business or Property, including if no acceptable bids are received by any deadline contemplated herein.
52. This SISP does not, and will not, be interpreted to create any contractual or legal relationship between the Company or the Monitor and any other party, other than as specifically set forth in the NDA or any other definitive agreement executed.
53. Notwithstanding anything to the contrary herein, the Monitor shall have no liability whatsoever to any person or entity, including without limitation any Potential Bidder, Qualified Bidder, Binding Offer Bidder, Known Potential Bidder, Successful Bidder, Back-Up Bidder, or any other creditor or stakeholder, or the Company, as a result of implementation or otherwise in connection with this SISP, except to the extent that any such liabilities result from the gross negligence or wilful misconduct of the Monitor, as determined by the Court, and all such persons or entities shall have no claim against the Monitor in respect of the SISP for any reason whatsoever.