

COURT FILE NUMBER 2401-01422

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

APPLICANTS AND IN THE MATTER OF GRIFFON PARTNERS
CAPITAL MANAGEMENT LTD., GRIFFON PARTNERS
HOLDING CORP., 2437801 ALBERTA LTD., 2437799
ALBERTA LTD., 2437815 ALBERTA LTD., STELLION
LIMITED and SPICELO LIMITED

DOCUMENT **FIFTH REPORT OF ALVAREZ & MARSAL CANADA
INC. IN ITS CAPACITY AS MONITOR**

MAY 7, 2024

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TABLE OF CONTENTS OF THE FIFTH REPORT OF THE MONITOR

INTRODUCTION3

PURPOSE.....6

TERMS OF REFERENCE AND DISCLAIMER7

ACTIVITIES OF THE MONITOR.....8

CASH FLOW RESULTS14

CASH FLOW FORECAST19

STAY EXTENSION20

DISCHARGE OF THE MONITOR OF THE GRIFFON OWNERSHIP ENTITIES .21

APPROVAL OF PROFESSIONAL FEES AND EXPENSES22

RECOMMENDATIONS.....23

INTRODUCTION

1. On August 25, 2023, Griffon Partners Operation Corp. (“**GPOC**”), Griffon Partners Holding Corp. (“**GPHC**”), Griffon Partners Capital Management Ltd. (“**GPCM**”), 2437801 Alberta Ltd. (“**801 AB**”), 2437799 Alberta Ltd. (“**799 AB**”), 2437815 Alberta Ltd. (“**815 AB**”), Stellion Limited (“**Stellion**”) and Spicelo Limited (“**Spicelo**”) each filed Notices of Intention to Make a Proposal (“**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”). Alvarez & Marsal Canada Inc. (“**A&M Inc.**”) consented to act as Trustee under the Proposal (“**Proposal Trustee**”).
2. For the purposes of this fifth report (the “**Fifth Report**” or “**this Report**”):
 - a) GPOC, GPHC, GPCM, 801 AB, 799 AB, 815 AB, Stellion and Spicelo are collectively referred to as the “**Companies**”;
 - b) GPHC and GPCM are together referred to as the “**Remaining Griffon Entities**”; and
 - c) 801 AB, 799 AB, 815 AB and Stellion are collectively referred to as the “**Griffon Ownership Companies**”.
3. Pursuant to section 50.4(8) of the BIA, the initial NOI period during which the Companies were required to file a proposal under the NOI proceedings (the “**NOI Proceedings**”) was from August 25, 2023 to September 24, 2023. The Companies subsequently applied to the Court of King’s Bench of Alberta (the “**Court**”) on various dates between September 2023 and January 2024 and were granted a variety of stay extension orders, an order approving a sales and investment solicitation process (“**SISP**”) and orders approving the actions, activities, conduct, professional fees and costs of A&M Inc., acting in its capacity as the Proposal Trustee in the course of the entire NOI Proceedings, and its counsel.
4. On February 7, 2024, this Honourable Court granted the Companies an initial order (the “**Initial Order**”) as well as an amended and restated initial order (the “**ARIO**”) to continue the NOI Proceedings under the *Companies’ Creditors Arrangement*

- Act*, RSC 1985, c C-36, as amended (the “**CCAA**” or the “**CCAA Proceedings**”), which granted, among other things, a stay of proceedings up to and including March 6, 2024 and appointed A&M Inc. as monitor pursuant to the provisions of the CCAA (in such capacity, the “**Monitor**”).
5. On March 6, 2024, this Honourable Court granted a further extension to the stay of proceedings for GPOC, the Remaining Griffon Entities and the Griffon Ownership Entities (collectively, the “**Griffon Entities**”) up to and including April 17, 2024. Spicelo was granted a separate extension of the stay of proceedings up to and including March 26, 2024. On March 26, 2024, Spicelo was granted an additional one day extension of the stay of proceedings up to and including March 27, 2024 to allow the Court to consider an application by Spicelo for the granting of enhanced powers to the Monitor and a cross-application by Signal Alpha C4 Limited and Trafigura Canada Ltd. (together, the “**Senior Secured Lenders**”) seeking to place Spicelo into receivership.
 6. On March 27, 2024, this Honourable Court granted an order enhancing the powers of the Monitor of Spicelo in order to allow the Monitor to carry out many of the functions, duties and powers that would normally be carried out by the director of Spicelo, or a receiver appointed over Spicelo. The enhanced powers of the Monitor were granted to ensure an orderly and efficient transaction of Spicelo’s assets (or so much thereof as may be necessary) to pay the Senior Secured Lenders their outstanding indebtedness in full (the “**Spicelo EMP Order**”). The Court also granted an extension of the stay of proceedings for Spicelo to April 17, 2024.
 7. On April 10, 2024, this Honourable Court approved, among other things, a share purchase and sale agreement (“**SPA**”) between GPHC (as “**Vendor**”), GPCM and Metamorphic Energy Corp. (“**Metamorphic**”, or “**Purchaser**”) ¹ and granted an sale approval and reverse vesting order (“**RVO**”) to complete and implement the SPA (the “**Share Purchase Transaction**”). This Honourable Court also granted an

¹ On April 8, 2024, Metamorphic assigned its interests to an affiliated entity, 2600389 Alberta Ltd.

order approving the actions, activities and conduct of the Monitor (from February 1, 2024 to April 3, 2024) and providing additional protections for the Monitor pursuant to the Spicelo EMP Order.

8. The actions, activities and conduct of the Proposal Trustee, along with its fees and disbursements (including those of its legal counsel) have been approved by this Honourable Court from the start of the NOI Proceedings (August 25, 2023) to February 6, 2024. The Proposal Trustee has been discharged of its duties. The Monitor's actions, activities and conduct have also been approved by this Honourable Court as reported since the Monitor's Pre-Filing Report dated February 1, 2024 through to the date of the Third Report dated April 3, 2024 ("**Third Report**"). The Monitor's fees and disbursements, along with its legal counsel, have been approved by this Honourable Court up to February 29, 2024 and March 15, 2024, respectively.
9. The Share Purchase Transaction closed on April 16, 2024 and, further to the RVO, GPOC ceased to be an applicant in the CCAA Proceedings.
10. On April 17, 2024, this Honourable Court granted an order:
 - a) enhancing the powers of the Monitor of the Remaining Griffon Entities and the Griffon Ownership Entities;
 - b) authorizing and permitting the Monitor to distribute to the Senior Secured Lenders the Spicelo Interim Distribution (as set out and defined in the Fourth Report of the Monitor dated April 10, 2024 (the "**Fourth Report**") and quantified in Confidential Appendix 1 (the "**Confidential Appendix**") therein);
 - c) authorizing and permitting the Monitor to distribute to the Senior Secured Lenders the Griffon Entities Interim Distribution (as set out and defined in the Fourth Report and quantified in the Confidential Appendix)²;

² If the Application concerning marshalling and subrogation (following any appeal therefrom), which was

- d) extending the stay of proceedings to May 17, 2024; and
 - e) approving the fees and disbursements of the Monitor and its counsel as reported since the Monitor's Pre-Filing Report to the Third Report.
11. The Monitor is applying to this Honourable Court for a hearing scheduled for May 14, 2024, seeking the following relief, among other things:
- a) a further extension of the stay of proceedings for Spicelo and the Remaining Griffon Entities up to and including August 16, 2024. For clarity, the Monitor is not seeking an extension to the stay of proceedings for Remaining Ownership Companies;
 - b) discharging the Monitor and terminating the CCAA Proceedings for the Griffon Ownership Entities; and
 - c) approving the actions, activities and conduct of the Monitor since the Monitor's Third Report, to the date of this Fifth Report, along with the fees and disbursements of the Monitor and its counsel, as set out in this Report.
12. All documents and information regarding the NOI Proceedings and the CCAA Proceedings have been posted on the Monitor's website at www.alvarezandmarsal.com/griffonpartners (the "**Website**").

PURPOSE

13. The purpose of this Fifth Report is to provide this Honourable Court and the Companies' stakeholders with the Monitor's considerations and recommendations with respect to the following:

heard by Madam Justice L.K. Harris on April 12, 2024 is decided in favour of Tamarack Valley Energy Ltd. ("**Tamarack**"), the funds from the sale of the Spicelo property (the "**Spicelo Proceeds**") will be distributed in accordance with the decision in such marshalling and subrogation Application, and the Griffon Entities Interim Distribution will be taken into account in calculating the distributions to which the Lenders and Tamarack are entitled. The Griffon Entities Interim Distribution is made without prejudice to Tamarack's interests arising from the marshalling and subrogation Application.

- a) an update concerning the activities of the Monitor since the Fourth Report;
 - i. final cash flow receipts and disbursements of GPOC for the reporting period and since the start of the CCAA proceedings;
 - ii. cash flow and actual receipts and disbursements for the Remaining Griffon Entities and Spicelo, as compared to the cash flow forecast as outlined in the Confidential Appendix of the Fourth Report;
- b) cash flow receipts and disbursements of;
 - i. GPOC for the Reporting Period and from the beginning of the CCAA proceedings (February 7, 2024);
 - ii. The Griffon Entities and Spicelo as compared to the cash flow in Confidential Appendix 1 of the Fourth Report.
- c) the extension of the stay of proceedings for Spicelo and the Remaining Griffon Entities;
- d) discharging the Monitor and terminating the CCAA Proceedings for the Griffon Ownership Entities;
- e) approving the actions, activities and conduct of the Monitor, along with the fees and disbursements of the Monitor and its counsel, as set out in this Report; and
- f) the Monitor's recommendations.

14. Further background of the Companies, their operations and the SISF is contained in the materials filed in the NOI Proceedings and CCAA Proceedings, which can be found on the Website.

TERMS OF REFERENCE AND DISCLAIMER

15. In preparing this Report, A&M Inc., in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Companies and has held discussions with the Companies' management and their respective counsel and directors (collectively,

the “**Information**”). Except as otherwise described in this Report in respect of the Companies’ cash flow forecast:

- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- b) some of the Information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

16. Future oriented financial information referred to in this Report was prepared based on the Companies’ estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

17. All references to dollars are in Canadian currency unless otherwise noted.

ACTIVITIES OF THE MONITOR

18. The Monitor’s activities since the Fourth Report (dated April 10, 2024) have been enhanced by this Honourable Court to take on additional duties, which such duties have included, but not limited to the following:

- a) until the Share Purchase Transaction closed and the Monitor’s powers were enhanced over the Griffon Entities:
 - i. continued discussions with Management, the Monitor’s legal counsel and the Companies’ legal counsel relating to matters

relevant to the CCAA Proceedings and the Companies' operations, generally;

- ii. various communications and meetings with Management, the Monitor's legal counsel, the Companies' legal counsel and the Companies' sales advisor, Alvarez & Marsal Canada Securities ULC (the "**Transaction Agent**") relating to the SISP and the Share Purchase Transaction; and
- iii. distributing the net proceeds from the Share Purchase Transaction to the Senior Secured Lenders as partial paydown of its obligations;
- iv. various communication with Metamorphic and their counsel respecting closing with Metamorphic in consultation with Torgys, the Companies and their legal counsel, and the Transaction Agent;
- v. communication with the Senior Secured Lenders and Tamarack on GPOC matters and the closing of the Share Purchase Transaction;

b) with respect to the Spicelo EMP Order:

- i. continued requests and communications with the Senior Secured Lenders and the Collateral Agent (as defined below) seeking the transfer of the GFR shares into the Monitor's possession and opening a broker account for this purpose, and the collection of the approximate USD \$6.6 million dividend that Spicelo will receive upon conversion of the Greenfire shares into the GFR publicly traded shares (the "**Spicelo Dividend**");
- ii. hosting a meeting with the Senior Secured Lenders and their counsel respecting their views on the GFR shares and the marketing of them;
- iii. communication with Tamarack and Spicelo shareholders respecting the GFR sales process and updates thereof;
- iv. holding conversations with qualified and experienced brokerage firms to assist the Monitor in developing a strategy to executed

- upon a realization process for the GFR shares, to be recommended to the relevant stakeholders;
- v. holding conversations with legal counsel to the Collateral Agent discussing the conversion of the Greenfire shares to GFR shares which will, among other things, trigger the release of the Spicelo Dividend;
 - vi. selecting a qualified and experienced brokerage firm (the “**Broker**”) to assist the Monitor in executing upon a realization process on the GFR shares;
 - vii. continual communication and numerous correspondence related to working with the Broker and transfer agent (Computershare) of GFR to convert the Greenfire shares to GFR shares; and
 - viii. instructing the Broker to sell certain shares in order to satisfy the Senior Secured Lenders indebtedness in full; and
 - ix. collecting the Spicelo Dividend and distributing it to the Senior Secured Lenders as partial paydown of their outstanding obligations;
- c) various communications and meetings with the Senior Secured Lenders, providing continual updates on timing of receipts and the cash flow results to the Senior Secured Lenders on same;
 - d) making the Griffon Interim Distribution to the Senior Secured Lenders;
 - e) various communication with Tamarack providing updates on the proceedings;
 - f) multiple communications and ongoing meetings with Sproule Asset Management (“**Sproule**”) respecting the remaining administrative matters for the Remaining Griffon Entities; and
 - g) ongoing monitoring of the financial affairs and other activities by the Monitor.

Griffon Update

19. The Share Purchase Transaction closed on April 16, 2024. Thereafter, the Monitor distributed CAD \$13,817,000 to the Senior Secured Lenders in accordance with the order granted which authorized and permitted the Monitor to make the Griffon Interim Distribution.
20. The remaining substantive administrative item is the reconciliation and payment of working interest partners payments for amounts which were accrued and owing but unpaid during the proceedings. This amount continues to be further reconciled by Sproule and may be up to CAD \$300,000. This amount was held back from the interim distribution until it is further reconciled and confirmed by the related counterparties or by Court order. The Monitor requires additional time to work through these matters with Sproule, in order to complete this reconciliation.

Spicelo Update

21. Spicelo is an investment company incorporated pursuant to the laws of the Republic of Cyprus and extra-provincially registered in Alberta, whose primary asset is the shares (the “**Pledged Shares**”) held in a private company called Greenfire Resources Inc. (“**Greenfire**”)³. Upon conversion of the shares Spicelo owns in Greenfire, Spicelo will own 5,499,506 shares in the publicly traded Greenfire Resources Ltd. (“**GFR**”).
22. As part of the security package to the Senior Secured Lenders, Spicelo provided a Limited Recourse Guarantee and Securities Pledge Agreement dated July 21, 2022, with respect to (a) the Pledged Shares; and (b) the Spicelo Dividend (together, the “**Spicelo Collateral**”) that Spicelo will receive upon conversion of the Greenfire shares into the GFR publicly traded shares. The Pledged Shares are in the

³ Greenfire has undergone a business combination whereby the shares were combined with various entities, with the newly combined company’s shares listed on the NYSE under the ticker symbol ‘**GFR**’.

- possession of GLAS Americas LLC as collateral agent (the “**Collateral Agent**”) for the Senior Secured Lenders.
23. The Spicelo EMP Order authorizes the Monitor to, among other things, sell or otherwise enter into transactions respecting the Spicelo Collateral or any part or parts thereof out of the ordinary course of business, either:
- a) with the written prior approval of the Spicelo Shareholder, the Senior Secured Lenders and Tamarack, and after consulting with GFR, which written prior approval may be provided by way of a written agreement entered into between the Spicelo Shareholder, the Senior Secured Lenders and Tamarack (and after consultation with GFR) which provides the Monitor with direction and authority to accept an offer or bid for the Spicelo Collateral immediately without requiring pre-approval from the Court and without requiring specific approval from the Spicelo Shareholder, the Senior Secured Lenders and Tamarack for each bid as it is received;
 - b) in accordance with the terms of any sale process which may be granted by this Court on subsequent application by the Monitor; or
 - c) with the approval of this Court on application by the Monitor.
24. The Monitor discussed parameters to sell the GFR shares with the Broker, in the course of developing a strategy to execute upon a realization process for the GFR shares, to recommend to the stakeholders. These parameters include selling sufficient GFR shares to pay the Senior Secured Lenders their estimated indebtedness, less the GPOC net proceeds and the Spicelo Dividend.
25. The Monitor organized discussions with the Spicelo Shareholder, the Senior Secured Lenders and Tamarack, with the intent to obtain prior approval on these parameters. On April 10, 2024, an agreement for this prior approval was achieved with all relevant stakeholders, on certain terms.

26. On April 26, 2024, upon direction from the Monitor, the Broker confirmed the trade of 4,741,697 shares for net proceeds of USD \$25,701,420.24 (at a pre-commission share price of USD \$5.4503).
27. As previously reported in the Fourth Report, the Monitor estimated the total indebtedness owed to the Senior Secured Lenders was approximately USD \$40.9 million as at April 30, 2024, which includes approximately USD \$5.8 million in accrued interest and fees and USD \$845,588 in legal fees (of Stikeman Elliott LLP, as counsel to the Senior Secured Lenders). Since the Fourth Report, approximately USD \$6.62 million from the Spicelo Dividend was paid to the Senior Secured Lenders against the outstanding obligation. The Monitor anticipates paying approximately \$24.5 million from the sale of the GFR shares on or around May 10, 2024, which should satisfy the entirety of the Senior Secured Lender obligations. The Monitor has requested a final payout schedule from the Senior Secured Lenders and will report to the Court in its final report on the exact amount paid.
28. As a result of (a) the transaction expecting to be settled on May 9, 2024 resulting in additional interest incurred on the Senior Secured Lenders' debt; and (b) negative foreign exchange variances on the GPOC proceeds on the interim payment made to the Senior Lenders, the Monitor increased the shares authorized to sell by the brokerage in order to satisfy the Senior Secured Lenders' anticipated debts on May 10, 2024.
29. Nothing will preclude the Monitor from selling additional GFR shares should Tamarack be successful in its application concerning to the doctrine of marshalling and subrogation.

Marshalling

30. GPOC purchased its assets from Tamarack on July 21, 2022, for CAD \$70 million. As part of the sale, Tamarack issued a CAD \$20 million seller financing note (the "**Subordinated Secured Debt**"), which has a maturity date of July 21, 2025, and bears interest at 12% per annum. Interest not paid in cash can be paid in-kind

(“**PIK**”) at 14% interest rate and deemed to be added to the principal amount. To date, all interest has been PIK.

31. The Subordinated Secured Debt is subordinated to the interests of the Senior Secured Lenders, and is only secured by the assets of GPOC. The Subordinated Secured Debt does not share the same security package as the Senior Secured Lenders (who alone have security in the Spicelo Collateral).
32. On April 12, 2024, an Application respecting the marshalling and subrogation issues (as discussed in prior Reports of the Monitor) was heard by Madam Justice L.K. Harris of the Court of King’s Bench of Alberta. Madam Justice Harris reserved her decision and, to date, no decision has been issued.
33. If the Application concerning marshalling and subrogation (following any appeal therefrom), is decided in favour of Tamarack, the funds from the sale of the Spicelo Collateral will be distributed in accordance with the decision in such marshalling and subrogation Application, and the Griffon Entities Interim Distribution will be taken into account in calculating the distributions to which the Lenders and Tamarack are entitled. The Griffon Entities Interim Distribution was made without prejudice to Tamarack’s interests arising from the marshalling and subrogation Application.

CASH FLOW RESULTS

34. GPOC’s actual cash flow and disbursements during the period of March 23, 2024 to April 2, 2024 (the “**GPOC Reporting Period**”), along with the actual results since the date of the Initial Order (February 7, 2024), is in the chart below.

Griffon Entities	Reporting Period		Ten-Week CCAA
Receipts & Disbursements	Actuals		Period Total
Period of March 23, 2024 to April 2, 2024		Notes	
<i>Unaudited, \$CAD 000's</i>			
<u>Cash Receipts</u>			
Sales (production settlement)	1,371	<i>a</i>	4,664
Other receipts	371	<i>b</i>	28
Total cash receipts	1,742		4,691
<u>Operating Cash Disbursements</u>			
Field contract operator payments	-		(316)
Office contract consultant payments	-		(258)
JV Partner payments	-		(26)
Operating and transportation	(553)	<i>c</i>	(1,563)
Drilling, facilities and other acquisitions	-		-
Abandonment and reclamation	-		(27)
Surface and mineral leases	(91)		(226)
Royalties	-		(377)
Carbon taxes	(9)		(18)
Subtotal	(653)		(2,811)
<u>Non-Operating Disbursements</u>			
General and administrative	(1)		(45)
GST remittance	(9)		(30)
Companies' counsel fees	(105)	<i>d</i>	(417)
Transaction agent fees	-		(273)
Subtotal	(115)		(765)
Net Cash Flow (before NOI Professionals)	975		1,115
<u>CCAA Professional Fee Disbursements</u>			
Proposal Trustee Fees	-		(102)
Monitor's Fees	(102)	<i>d</i>	(219)
Proposal Trustee counsel's fees	-		(89)
Monitor's counsel's fees	(46)	<i>d</i>	(151)
Net Cash Flow	826		554
<u>Net Change in Cash</u>			
Beginning of period	1,688		1,962
Net Cash Flow	826		554
Ending of period	2,515		2,515

35. Over the Reporting Period, GPOC experienced the collection of the following materials cash receipts and disbursements, which are described below:
- a) collection of February production receipts in March 2024 totaling approximately \$1.4 million;

- b) collection of a holdback amount from Steel Reef of approximately \$371,000 that was released by Trafigura on March 28, 2024, as previously reported in prior Monitor's reports;
 - c) field and operating costs of approximately \$553,000; and
 - d) professional fees and costs of:
 - i. the Company's legal counsel of approximately \$105,000 (includes GST);
 - ii. the Monitor's and its legal counsels fees and costs for the period covering March 1-31, 2024 and March 15-31, 2024, respectively totalling a combined \$148,000 (includes GST);
36. The aggregate cash balance in GPOC as at April 2, 2024 was \$2,514,884. Pursuant to the SPA, the Purchase Price payable at Closing was adjusted based on a minimum cash balance of \$3,250,000. As such, the Purchase Price payable by Metamorphic at Closing was reduced by the difference (\$735,116).
37. Between April 2, 2024 and Closing (April 16, 2024), operating disbursements were paid by GPOC in the normal course of business (based on standard payment terms) and, as per Schedule F of the PSA. These amounts were reviewed by the Monitor to ensure compliance with the PSA. On April 16, 2024, the cash balance on hand remained within GPOC and were retained by Metamorphic as a Retained Asset and vested to Metamorphic as part of the share purchase of GPOC.

Remaining Griffon Entities

38. The Remaining Griffon Entities (GPCM and GPHC) are considered holding companies and did not have any cash receipts and disbursements in the NOI Proceedings or CCAA Proceedings. However, the Remaining Griffon Entities did forecast certain limited and specific cash receipts and disbursements that would be incurred in April and May 2024 primarily related to the collection from the Share Purchase Transaction (GPOC). The forecast was outlined in Confidential Appendix 1 of the Fourth Report.

39. The Remaining Griffon Entities' actual cash flow and disbursements during the period of April 6, 2024 to May 3, 2024 (the "**Remaining Griffon Entities Reporting Period**") as compared to the weekly cash flow forecast for the same period, is included in the chart below:

Remaining Griffon Entities CCAA Cash Flow Variances weeks-ending May 3, 2024	Cash Flow Forecast	Actuals	Variance	Notes
<i>Unaudited, \$CAD</i>				
<u>Cash Receipts</u>				
Sale Proceeds	\$ 14,267,000	\$ 14,264,884	\$ (2,116)	
Total cash receipts	14,267,000	14,264,884	\$ (2,116)	
<u>Cash Disbursements</u>				
Senior Lender Distribution	(13,817,000)	(13,817,000)	\$ -	
Joint Venture Holdback Release	(300,000)	-	\$ 300,000	<i>a</i>
Professional Fees	-	-	\$ -	
Total cash disbursements	(14,117,000)	(13,817,000)	\$ 300,000	
Net cash flow	\$ 150,000	\$ 447,884	\$ 150,000	
<u>Net Change in Cash</u>				
Beginning of period	-	-	\$ -	
Net Cash Flow	150,000	447,884	\$ 297,884	
Ending of period	\$ 150,000	\$ 447,884	\$ 297,884	

40. Over the Reporting Period, the Remaining Griffon Entities collected upon the net sales proceeds from the Share Purchase Transaction and were then distributed to the Senior Secured Lenders (as discussed above), less the joint venture holdback release. The joint venture holdback continues to be reconciled by Sproule for final approval by the Monitor (and the working interest partners) prior to the Monitor issuing payment.

Spicelo

41. As previously reported, Spicelo did not collect or incur any receipts or disbursements during the NOI Proceedings and CCAA Proceedings, as it is essentially a holding company and its only assets are the GFR shares. However, Spicelo forecasted (with the assistance of the Monitor) the collection of the Spicelo Dividends and certain proceeds from the sale of the GFR shares and make certain disbursements during April and May 2024, as was outlined in Confidential Appendix 1 of the Fourth Report.

42. Spicelo’s actual cash receipts and disbursements during the period of April 6, 2024 to May 3, 2024 (the “**Spicelo Reporting Period**”) as compared to the updated weekly cash flow forecast for the same period as outlined in the Confidential Appendix 1 of the Fourth Report, is included in the chart below:

Spicelo				
CCAA Cash Flow Variances	Cash Flow	Actuals	Variance	Notes
<i>weeks-ending May 3, 2024</i>	Forecast			
<i>Unaudited, \$USD</i>				
<u>Cash Receipts</u>				
Dividend	\$ 5,610,000	\$ 6,624,583	\$ 1,014,583	<i>a</i>
Share Proceeds	\$ 25,295,238	\$ -	\$ (25,295,238)	<i>b</i>
Total cash receipts	30,905,238	6,624,583	\$ (24,280,655)	
<u>Cash Disbursements</u>				
Senior Lender Distribution	(30,755,238)	(6,624,583)	\$ 24,130,655	<i>a,b</i>
Professional Fees	-	-	\$ -	
Total cash disbursements	(30,755,238)	(6,624,583)	\$ 24,130,655	
Net cash flow	\$ 150,000	\$ -	\$ 150,000	
<u>Net Change in Cash</u>				
Beginning of period	-	-	\$ -	
Net Cash Flow	150,000	-	\$ (150,000)	
Ending of period	\$ 150,000	\$ -	\$ (150,000)	

43. During the Spicelo Reporting Period, Spicelo experienced:
- A positive variance relating to the dividend received. The Monitor had anticipated that there would be tax withholdings from the dividend held by Computershare. Those were not withheld and the Monitor distributed the entirety of the dividend to the Senior Secured Lenders. The Monitor is currently investigating the potential tax consequences involving the dividend with its legal counsel and the requirement to remit withholding taxes to CRA. If there is a requirement to remit withholding taxes, the Monitor intends to utilize the proceeds from the sale of the GFR shares, which the initial share sale is expected to close on May 9, 2024; and
 - a negative cash flow variance of \$150,000, as a result of a timing variance difference of the share proceeds not yet received. Because the share proceeds have not yet been received, the corresponding distribution to the Senior Secured Lenders has not yet been made. The negative timing

variance exists as the share proceeds are anticipated to fund the remaining professional fees.

CASH FLOW FORECAST

Remaining Griffon Entities

44. The Monitor has prepared an updated monthly cash flow forecast for the Remaining Griffon Entities for the monthly period to August 16, 2024 using the probable and hypothetical assumptions set out below:

- a) the amounts owing to working interest partners will be reconciled and paid; and
- b) remaining forecast professional fees will be paid for the completion of the Remaining Griffon Entities.

Remaining Griffon Entities Monthly Cash Flow Forecast	month ended	Month 1 2024-05	Month 2 2024-06	Month 3 2024-07	Month 4 2024-08	Total
<i>Unaudited, \$CAD</i>						
<u>Cash Receipts</u>						
Sale Proceeds		\$ -	\$ -	\$ -	\$ -	\$ -
Total cash receipts		-	-	-	-	\$ -
<u>Cash Disbursements</u>						
Joint Venture Holdback Release		(300,000)	-	-	-	\$ (300,000)
Professional Fees		(147,884)	-	-	-	\$ (147,884)
Total cash disbursements		(447,884)	-	-	-	\$ (447,884)
Net cash flow		\$ (447,884)	\$ -	\$ -	\$ -	\$ (447,884)
<u>Net Change in Cash</u>						
Beginning of period		447,884	-	-	-	\$ 447,884
Net Cash Flow		(447,884)	-	-	-	\$ (447,884)
Ending of period		\$ -	\$ -	\$ -	\$ -	\$ -

Spicelo

45. The Monitor has prepared an updated monthly cash flow forecast for Spicelo for the monthly period to August 16, 2024 using the probable and hypothetical assumptions set out below:

- a) The net proceeds from the GFR share sale to be received by Spicelo;
- b) The Spicelo Interim Distribution will be distributed to the Senior Secured Lenders; and

- c) Remaining forecast professional fees will be paid with respect to Spicelo.

Spicelo	Month 1	Month 2	Month 3	Month 4	Total
Monthly Cash Flow Forecast <i>month ended</i>	2024-05	2024-06	2024-07	2024-08	
<i>Unaudited, \$USD</i>					
<u>Cash Receipts</u>					
Dividend	\$ -	\$ -	\$ -	\$ -	\$ -
Share Proceeds	25,701,420	-	-	-	\$ 25,701,420
Total cash receipts	25,701,420	-	-	-	\$ 25,701,420
<u>Cash Disbursements</u>					
Senior Lender Distribution	(24,498,540)	-	-	-	\$ (24,498,540)
Professional Fees	(188,297)	-	-	-	\$ (188,297)
Total cash disbursements	(24,686,837)	-	-	-	\$ (24,686,837)
Net cash flow	\$ 1,014,583	\$ -	\$ -	\$ -	\$ 1,014,583
<u>Net Change in Cash</u>					
Beginning of period	-	1,014,583	1,014,583	1,014,583	\$ -
Net Cash Flow	1,014,583	-	-	-	\$ 1,014,583
Ending of period	\$ 1,014,583	\$ 1,014,583	\$ 1,014,583	\$ 1,014,583	\$ 1,014,583

46. The cash outstanding remains subject to the potential tax consequences of the transactions currently under review by the Monitor, as discussed above.

STAY EXTENSION

47. Pursuant to the order of April 17, 2024, the stay of proceedings for Spicelo and the Remaining Griffon Entities will expire on May 17, 2024. The Monitor is seeking an extension of the stay of proceedings to August 16, 2024 (the “**Stay Extension**”).
48. The Monitor recommends the Stay Extension for the following reasons:
- the Stay Extension will maintain the status quo and allow for the Monitor to focus on completing the necessary work to bring the CCAA Proceedings to an orderly conclusion;
 - the Monitor anticipates that extending the stay of proceedings to August 16, 2024 will provide sufficient time for the Monitor to finalize the administration of the CCAA Proceedings, including the impact of the decision concerning marshalling and subrogation (following any appeal therefrom). Further, once the Spicelo GFR share sales have been distributed to the Senior Secured Lenders, the Monitor anticipates that its work will decrease significantly, and be limited only to administrative

matters and/or any other matters that may surface but which are not known to the Monitor at this time;

- c) the Monitor is not aware of any creditor who will be materially prejudiced by the Stay Extension;
- d) there continues to be sufficient cash availability forecast during the period of the Stay Extension and there is no interim financing required (and interim financing has not been required to date); and
- e) in the Monitor's opinion, Spicelo and the Remaining Griffon Entities have acted in good faith and with due diligence in these CCAA Proceedings since the date of the Initial Order.

DISCHARGE OF THE MONITOR OF THE GRIFFON OWNERSHIP ENTITIES

- 49. Following the repayment of the Senior Secured Lenders, each of the Griffon Ownership Entities, who had jointly and severally guaranteed the debt owing to the Senior Secured Lenders, will have no other liabilities. Once the Senior Secured Lenders are paid in full, the Monitor will file with this Honourable Court a Monitor's Certificate, indicating that the Senior Secured Lenders' indebtedness has been satisfied.
- 50. Following the filing of the Monitor's Certificate, with respect to the Griffon Ownership Entities, the Monitor will have completed its duties under the CCAA and all claims against the Monitor, its officers, directors, employees and affiliates, in connection with its appointment or the performance of its duties as Monitor to the date of this Order will be stayed, extinguished and forever barred and the Monitor, its officers, directors, employees and affiliates, shall have no obligation or liability in respect thereof except for any liability arising out of gross negligence or wilful misconduct on the part of the Monitor.
- 51. The Monitor respectfully requests that this Honourable Court approve the Order discharging the Monitor of its duties under the CCAA with respect to the Griffon Ownership Entities, subject to the satisfaction of the Senior Secured Lenders'

indebtedness in full and the filing of the Monitor's Certificate as noted above, and the termination of the CCAA Proceedings for the Griffon Ownership Entities.

52. The title and the style of cause in these proceedings shall then be amended to delete 2437801 ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA LTD. and STELLION LIMITED, as parties.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

53. The Monitor and its legal counsel have rendered their invoices for their respective fees and disbursements for services in connection with the CCAA Proceedings and are seeking approval of this Honourable Court. The Monitor and its counsel sought and obtained prior approval of its fees and costs up to February 29, 2024 (for the Monitor) and up to March 15, 2024 (for Torys).
54. The Monitor respectfully now seeks approval from this Honourable Court of the professional fees and disbursements of the Monitor for the period of March 1, 2024 to April 30, 2024 (the "**Monitor Taxation Period**"), and Torys for the period of March 16, 2024 to April 30, 2024 (the "**Torys Taxation Period**").
55. The total fees and expenses of the Monitor during the Monitor Taxation Period are \$200,720.16 (exclusive of GST), a summary of which is included below:

Monitor Fees & Disbursements - Taxation Period						
Invoice	Period	Fees	Disbursements	Subtotal	GST	Total
<i>Taxation Period</i>						
#2	1-Mar-24 to 30-Mar-24	\$ 97,027.00	\$ -	\$ 97,027.00	\$ 4,851.35	\$ 101,878.35
#3	31-Mar-24 to 30-Apr 24	\$ 103,310.00	\$ 383.16	\$ 103,693.16	\$ 5,184.66	\$ 108,877.82
Total		\$ 200,337.00	\$ 383.16	\$ 200,720.16	\$ 10,036.01	\$ 210,756.17

56. The total fees and expenses of the Monitor's counsel during the Torys Taxation Period total \$139,619.50 (exclusive of GST), a summary of which is included below:

Torys Fees & Disbursements - Taxation Period						
Invoice	Period	Fees	Disbursements	Subtotal	GST	Total
<i>Taxation Period</i>						
1637233	16-Mar-24 to 31-Mar-24	\$ 44,051.00	\$ 20.00	\$ 44,071.00	\$ 2,203.55	\$ 46,274.55
1639041	1-Apr-24 to 15-Apr-24	\$ 67,004.50	\$ 825.00	\$ 67,829.50	\$ 3,377.13	\$ 71,206.63
1640293	16-Apr-24 to 30-Apr-24	\$ 27,716.50	\$ 2.50	\$ 27,719.00	\$ 1,385.95	\$ 29,104.95
Total		\$ 138,772.00	\$ 847.50	\$ 139,619.50	\$ 6,966.63	\$ 146,586.13

57. The Monitor and its counsel's invoices outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work in question.
58. The Monitor respectfully submits that its professional fees and disbursements and those of its legal counsel are fair and reasonable in the circumstances, given the substantive tasks required to be performed by the Monitor and its legal counsel during this period in connection with the CCAA Proceedings.

RECOMMENDATIONS

59. The Monitor respectfully recommends that this Honourable Court approve the following:
- a) a further extension of the stay of proceedings for Spicelo and the Remaining Griffon Entities up to and including August 16, 2024;
 - b) discharging the Monitor and terminating the CCAA Proceedings for the Griffon Ownership Entities; and
 - c) approving the actions, activities and conduct of the Monitor as reported in the Fourth Report and the Fifth Report, along with the fees and disbursements of the Monitor and its counsel, as set out in this Report.

All of which is respectfully submitted this 7th day of May, 2024

ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of Spicelo, the Remaining Griffon Entities and the Griffon
Ownership Entities and not in its personal or corporate capacity



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President



Duncan MacRae, CPA, CA, CIRP, LIT
Vice President