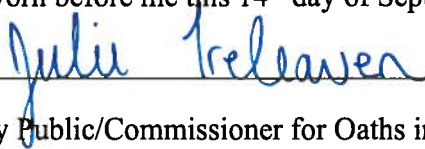


This is **Exhibit "A"** to the Affidavit of Daryl Stepanic

sworn before me this 14th day of September 2023.

A handwritten signature in blue ink, reading "Julie Treleven", is written over a horizontal line.

Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2979721
Estate No. 25-2979721

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

2437799 Alberta Ltd.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

August 25, 2023

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

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

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

Date: August 25, 2023, 17:27

E-File/Dépôt Electronique

Official Receiver

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

Canada 



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2979725
Estate No. 25-2979725

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

2437801 Alberta Ltd.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

August 25, 2023

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

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

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

Date: August 25, 2023, 17:37

E-File/Dépôt Electronique

Official Receiver

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

Canada 



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2979732
Estate No. 25-2979732

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

2437815 Alberta Ltd.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

August 25, 2023

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

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

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

Date: August 25, 2023, 17:52

E-File/Dépôt Electronique

Official Receiver

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

Canada 



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2979735
Estate No. 25-2979735

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

Griffon Partners Operation Corp.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

August 25, 2023

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

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

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

Date: August 25, 2023, 18:02

E-File/Dépôt Electronique

Official Receiver

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

Canada 



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2979736
Estate No. 25-2979736

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

Griffon Partners Holding Corp.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

August 25, 2023

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

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

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

Date: August 25, 2023, 18:03

E-File/Dépôt Electronique

Official Receiver

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

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2979737
Estate No. 25-2979737

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

Griffon Partners Capital Management Ltd.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

August 25, 2023

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

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

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

Date: August 25, 2023, 18:05

E-File/Dépôt Electronique

Official Receiver

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

Canada 



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2979738
Estate No. 25-2979738

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

Spicelo Limited

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

August 25, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

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

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

Date: August 25, 2023, 18:09

E-File/Dépôt Electronique

Official Receiver

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

Canada 



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2979739
Estate No. 25-2979739

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

Stellion Limited

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

August 25, 2023

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

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

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

Date: August 25, 2023, 18:10

E-File/Dépôt Electronique

Official Receiver

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

Canada

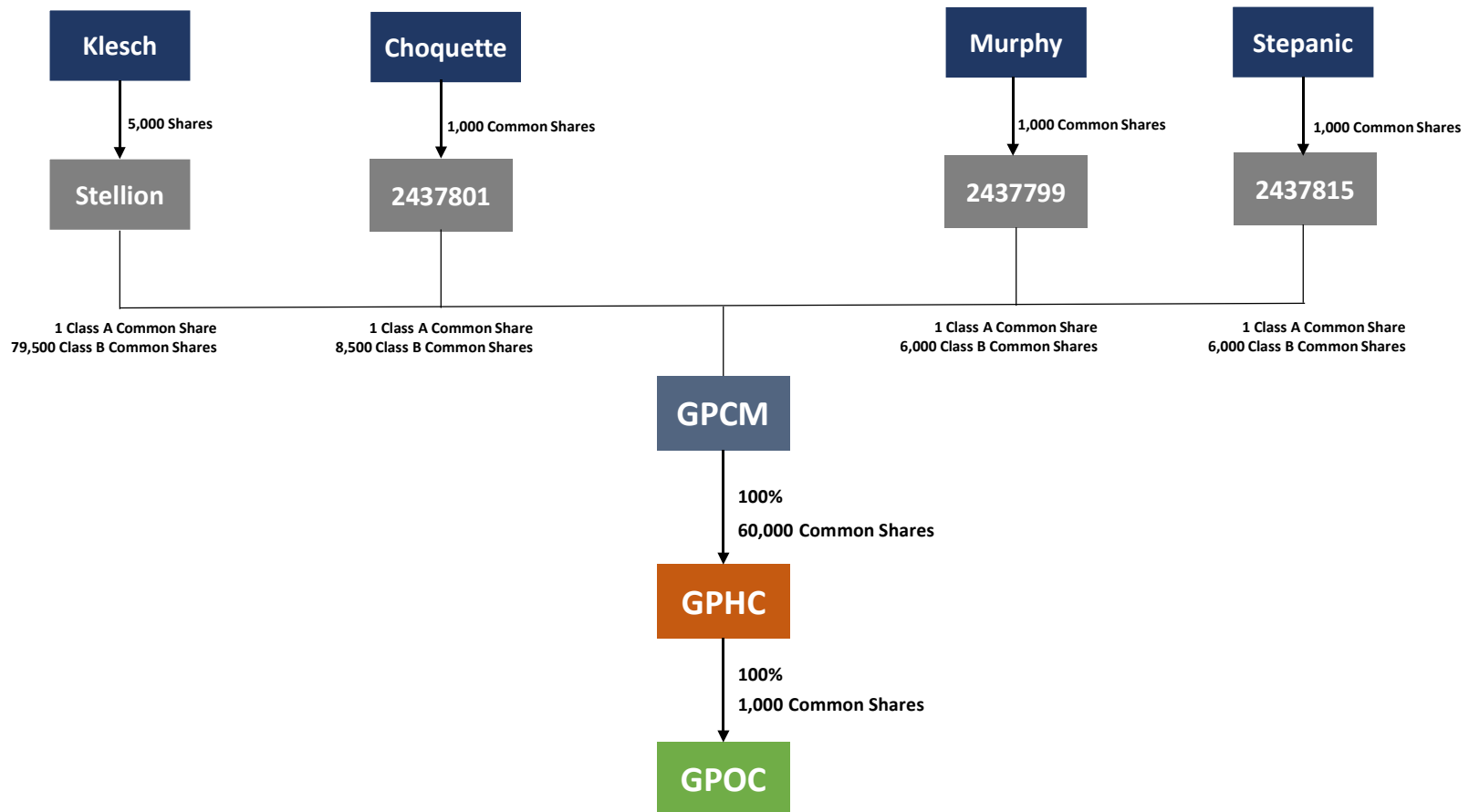
This is **Exhibit "B"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.



Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

Griffon Partners Operation Corp. Organizational Structure



This is **Exhibit "C"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.

A handwritten signature in blue ink, reading "Julie Treleaven", is written over a horizontal line.

Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/09/11
Time of Search: 01:12 PM
Search provided by: OSLER, HOSKIN & HARCOURT LLP
Service Request Number: 40457652
Customer Reference Number: 1247318-2381

Corporate Access Number: 2024219038
Business Number: 734155401
Legal Entity Name: GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2022/04/06 YYYY/MM/DD

Registered Office:

Street: 800-333 7 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2Z1

Records Address:

Street: 800-333 7 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2Z1

Email Address: CORES@BURSTALL.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
STEELE	MITCHELL	A.	DS BURSTALL LLP	800-333 7 AVE SW	CALGARY	ALBERTA	T2P2Z1	MSTEELE@DSAVOCATS.CA

Directors:

Last Name: CHOQUETTE
First Name: ELLIOTT
Street/Box Number: 305 - 605 7 AVENUE NE
City: CALGARY
Province: ALBERTA
Postal Code: T2E0N4

Last Name: KLESCH
First Name: JONATHAN
Street/Box Number: HARLEY HOUSE, PENTHOUSE 1, MARYLEBONE ROAD
City: LONDON
Postal Code: NW15HG
Country: UNITED KINGDOM

Last Name: MURPHY
First Name: TREVOR
Street/Box Number: 10735 WILLOWFERN DR SE
City: CALGARY
Province: ALBERTA
Postal Code: T2J1R3

Last Name: STEPANIC
First Name: DARYL
Street/Box Number: 203 - 600 PRINCETON WAY SW
City: CALGARY

Province: ALBERTA
Postal Code: T2P5N4

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SHARE STRUCTURE SCHEDULE ATTACHED HERETO
Share Transfers Restrictions: SEE RESTRICTIONS ON SHARE TRANSFERS SCHEDULE ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NO RESTRICTIONS
Business Restricted From: NO RESTRICTIONS
Other Provisions: SEE OTHER RULES OR PROVISIONS SCHEDULE ATTACHED HERETO

Other Information:

Outstanding Returns:

Annual returns are outstanding for the 2023 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2022/04/06	Incorporate Alberta Corporation
2022/04/06	Update Business Number Legal Entity
2022/06/03	Name/Structure Change Alberta Corporation

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2022/04/06
Restrictions on Share Transfers	ELECTRONIC	2022/04/06
Other Rules or Provisions	ELECTRONIC	2022/04/06
Consolidation, Split, Exchange	ELECTRONIC	2022/06/03

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/09/11
Time of Search: 01:11 PM
Search provided by: OSLER, HOSKIN & HARCOURT LLP
Service Request Number: 40457602
Customer Reference Number: 1247318-2381

Corporate Access Number: 2024443570

Business Number: 714654407

Legal Entity Name: GRIFFON PARTNERS HOLDING CORP.

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Registration Date: 2022/07/11 YYYY/MM/DD

Registered Office:

Street: 2400, 525 8 AVENUE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2P1G1

Records Address:

Street: 2400, 525 8 AVENUE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2P1G1

Email Address: CORES@BDPLAW.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
ALGAR	RYAN		BURNET, DUCKWORTH & PALMER LLP	2400, 525 8TH AVE. S.W.	CALGARY	ALBERTA	T2P1G1	CORES@BDPLAW.COM

Directors:

Last Name: CHOQUETTE
First Name: ELLIOTT
Street/Box Number: 305 - 605 7 AVENUE NE
City: CALGARY
Province: ALBERTA
Postal Code: T2E0N4

Last Name: GALLAGHER
First Name: DAVE
Street/Box Number: 10 OLD BURLINGTON STREET, 5TH FLOOR
City: LONDON
Postal Code: W1S3AG
Country: UNITED KINGDOM

Last Name: KLESCH
First Name: JONATHAN
Street/Box Number: HARLEY HOUSE, PENTHOUSE 1, MARYLEBONE ROAD
City: LONDON
Postal Code: NW15HG
Country: UNITED KINGDOM

Last Name: MURPHY
First Name: TREVOR
Street/Box Number: 10735 WILLOWFERN DRIVE SE
City: CALGARY

Province: ALBERTA
Postal Code: T2J1R3

Last Name: STEPANIC
First Name: DARYL
Street/Box Number: 203 - 600 PRINCETON WAY SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P5N4

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 11
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:

Outstanding Returns:

Annual returns are outstanding for the 2023 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
------------------------	----------------

2022/07/11	Incorporate Alberta Corporation
2022/07/11	Update Business Number Legal Entity
2022/08/08	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<u>Share Structure</u>	ELECTRONIC	2022/07/11
<u>Restrictions on Share Transfers</u>	ELECTRONIC	2022/07/11
<u>Other Rules or Provisions</u>	ELECTRONIC	2022/07/11

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/09/11
Time of Search: 01:09 PM
Search provided by: OSLER, HOSKIN & HARCOURT LLP
Service Request Number: 40457583
Customer Reference Number: 1247318-2381

Corporate Access Number: 2024369411
Business Number: 722163706
Legal Entity Name: GRIFFON PARTNERS OPERATION CORP.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2022/06/07 YYYY/MM/DD

Registered Office:

Street: 2400, 525 8 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1G1

Records Address:

Street: 2400, 525 8 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1G1

Email Address: CORES@BDPLAW.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
ALGAR	RYAN		BURNET, DUCKWORTH & PALMER LLP	2400, 525 8TH AVE. S.W.	CALGARY	ALBERTA	T2P1G1	CORES@BDPLAW.COM

Directors:

Last Name: CHOQUETTE

First Name: ELLIOTT

Street/Box Number: 305 - 605 7 AVENUE NE

City: CALGARY

Province: ALBERTA

Postal Code: T2E0N4

Last Name: KLESCH

First Name: JONATHAN

Street/Box Number: HARLEY HOUSE, PENTHOUSE 1, MARYLEBONE ROAD

City: LONDON

Postal Code: NW15HG

Country: UNITED KINGDOM

Last Name: MURPHY

First Name: TREVOR

Street/Box Number: 10735 WILLOWFERN DRIVE SE

City: CALGARY

Province: ALBERTA

Postal Code: T2J1R3

Last Name: STEPANIC

First Name: DARYL

Street/Box Number: 203 - 600 PRINCETON WAY SW

City: CALGARY

Province: ALBERTA
Postal Code: T2P5N4

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 11
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:

Outstanding Returns:

Annual returns are outstanding for the 2023 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2022/06/07	Incorporate Alberta Corporation
2022/06/07	Update Business Number Legal Entity
2022/06/08	Change Agent for Service

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2022/06/07
Restrictions on Share Transfers	ELECTRONIC	2022/06/07
Other Rules or Provisions	ELECTRONIC	2022/06/07

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/09/11
Time of Search: 01:21 PM
Search provided by: OSLER, HOSKIN & HARCOURT LLP
Service Request Number: 40457807
Customer Reference Number: 1247318-2381

Corporate Access Number: 2024378156

Business Number: 721338903

Legal Entity Name: 2437815 ALBERTA LTD.

Legal Entity Status: Active

Alberta Corporation Type: Numbered Alberta Corporation

Registration Date: 2022/06/10 YYYY/MM/DD

Registered Office:

Street: 2400, 525 - 8TH AVENUE S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2P1G1

Records Address:

Street: 2400, 525 - 8TH AVENUE S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2P1G1

Email Address: CORES@BDPLAW.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
ALGAR	RYAN		BURNET, DUCKWORTH & PALMER LLP	2400, 525 8TH AVENUE SW	CALGARY	ALBERTA	T2P1G1	CORES@BDPLAW.COM

Directors:

Last Name: STEPANIC
First Name: DARYL
Street/Box Number: 203 - 600 PRINCETON WAY SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P5N4

Details From Current Articles:**The information in this legal entity table supersedes equivalent electronic attachments**

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:**Outstanding Returns:**

Annual returns are outstanding for the 2023 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2022/06/10	Incorporate Alberta Corporation
2022/06/10	Update Business Number Legal Entity

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<u>Share Structure</u>	ELECTRONIC	2022/06/10
<u>Restrictions on Share Transfers</u>	ELECTRONIC	2022/06/10
<u>Other Rules or Provisions</u>	ELECTRONIC	2022/06/10

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/09/11
Time of Search: 01:14 PM
Search provided by: OSLER, HOSKIN & HARCOURT LLP
Service Request Number: 40457676
Customer Reference Number: 1247318-2381

Corporate Access Number: 2024378016

Business Number: 721342301

Legal Entity Name: 2437801 ALBERTA LTD.

Legal Entity Status: Active

Alberta Corporation Type: Numbered Alberta Corporation

Registration Date: 2022/06/10 YYYY/MM/DD

Registered Office:

Street: 2400, 525 - 8TH AVENUE S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2P1G1

Records Address:

Street: 2400, 525 - 8TH AVENUE S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2P1G1

Email Address: CORES@BDPLAW.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
ALGAR	RYAN		BURNET, DUCKWORTH & PALMER LLP	2400, 525 8TH AVENUE SW	CALGARY	ALBERTA	T2P1G1	CORES@BDPLAW.COM

Directors:

Last Name: CHOQUETTE
First Name: ELLIOTT
Street/Box Number: 305- 605 7 AVENUE NE
City: CALGARY
Province: ALBERTA
Postal Code: T2E0N4

Details From Current Articles:**The information in this legal entity table supersedes equivalent electronic attachments**

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:**Outstanding Returns:**

Annual returns are outstanding for the 2023 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2022/06/10	Incorporate Alberta Corporation
2022/06/10	Update Business Number Legal Entity

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<u>Share Structure</u>	ELECTRONIC	2022/06/10
<u>Restrictions on Share Transfers</u>	ELECTRONIC	2022/06/10
<u>Other Rules or Provisions</u>	ELECTRONIC	2022/06/10

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/09/11
Time of Search: 01:17 PM
Search provided by: OSLER, HOSKIN & HARCOURT LLP
Service Request Number: 40457718
Customer Reference Number: 1247318-2381

Corporate Access Number: 2024377992

Business Number: 720141605

Legal Entity Name: 2437799 ALBERTA LTD.

Legal Entity Status: Active

Alberta Corporation Type: Numbered Alberta Corporation

Registration Date: 2022/06/10 YYYY/MM/DD

Registered Office:

Street: 2400, 525 - 8TH AVENUE S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2P1G1

Records Address:

Street: 2400, 525 - 8TH AVENUE S.W.

City: CALGARY

Province: ALBERTA

Postal Code: T2P1G1

Email Address: TREVORMURPHY403@GMAIL.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
ALGAR	RYAN		BURNET, DUCKWORTH & PALMER LLP	2400, 525 8TH AVENUE SW	CALGARY	ALBERTA	T2P1G1	CORES@BDPLAW.COM

Directors:

Last Name: MURPHY
First Name: TREVOR
Street/Box Number: 10735 WILLOWFERN DR. SE
City: CALGARY
Province: ALBERTA
Postal Code: T2J1R3

Details From Current Articles:**The information in this legal entity table supersedes equivalent electronic attachments**

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2023/06/22

The corporation representative has confirmed that there are no shareholders.

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2022/06/10	Incorporate Alberta Corporation
2022/06/10	Update Business Number Legal Entity
2023/06/22	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<u>Share Structure</u>	ELECTRONIC	2022/06/10
<u>Restrictions on Share Transfers</u>	ELECTRONIC	2022/06/10
<u>Other Rules or Provisions</u>	ELECTRONIC	2022/06/10

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/09/11
Time of Search: 01:13 PM
Search provided by: OSLER, HOSKIN & HARCOURT LLP
Service Request Number: 40457667
Customer Reference Number: 1247318-2381

Corporate Access Number: 2125417556

Business Number:

Legal Entity Name: STELLION LIMITED

Legal Entity Status: Active

Extra-Provincial Type: Foreign Corporation

Registration Date: 2023/08/23 YYYY/MM/DD

Date Of Formation in Home Jurisdiction: 2022/05/16 YYYY/MM/DD

Home Jurisdiction: CYPRUS

Home Jurisdiction CAN: HE434371

Head Office Address:

Street: MEGALOU ALEXANDROU 17, AGLANTZIA

City: NICOSIA

Postal Code: 2121

Country: CYPRUS

Email Address: CEO@ICCSOVEREIGNGROUP.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
VAN DE MOSSELAER	RANDAL	S.	OSLER, HOSKIN & HARCOURT LLP	2700, 225 - 6TH AVENUE SW	CALGARY	ALBERTA	T2P1N2	CORPORATESERVICESCALGARY@OSLER.COM

Directors:

Last Name: CHARALAMBIDES
First Name: IOANNIS
Street/Box Number: AMFISSIS 16, AGLANTZIA
City: NICOSIA
Postal Code: 2121
Country: CYPRUS

Other Information:

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2023/08/23	Register Extra-Provincial Profit / Non-Profit Corporation

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Foreign Charter	10000307125165663	2023/08/23

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2023/09/11
Time of Search: 01:22 PM
Search provided by: OSLER, HOSKIN & HARCOURT LLP
Service Request Number: 40457833
Customer Reference Number: 1247318-2381

Corporate Access Number: 2125417580

Business Number:

Legal Entity Name: SPICELO LIMITED

Legal Entity Status: Active

Extra-Provincial Type: Foreign Corporation

Registration Date: 2023/08/23 YYYY/MM/DD

Date Of Formation in Home Jurisdiction: 2019/11/15 YYYY/MM/DD

Home Jurisdiction: CYPRUS

Home Jurisdiction CAN: HE404146

Head Office Address:

Street: MEGALOU ALEXANDROU 17, AGLANTZIA

City: NICOSIA

Postal Code: 2121

Country: CYPRUS

Email Address: CEO@ICCSOVEREIGNGROUP.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
VAN DE MOSSELAER	RANDAL	S.	OSLER, HOSKIN & HARCOURT LLP	2700, 225 - 6TH AVENUE SW	CALGARY	ALBERTA	T2P1N2	CORPORATESERVICESCALGARY@OSLER.COM

Directors:

Last Name: CHARALAMBIDES
First Name: IOANNIS
Street/Box Number: AMFISSIS 16, AGLANTZIA
City: NICOSIA
Postal Code: 2121
Country: CYPRUS

Other Information:

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2023/08/23	Register Extra-Provincial Profit / Non-Profit Corporation

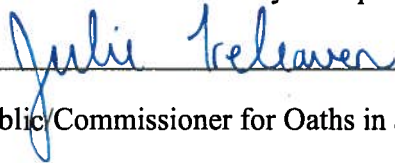
Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Foreign Charter	10000707125165661	2023/08/23

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



This is **Exhibit "D"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.

A handwritten signature in blue ink, reading "Julie Treleven", is written over a horizontal line.

Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

From: Matthieu Milandri <Matthieu.Milandri@trafigura.com>
Sent: Friday, September 8, 2023 9:35 PM
To: Jonathan Klesch <jk@griffon-partners.com>
Cc: Iain Singer <iain.singer@trafigura.com>
Subject: Re: [EXTERNAL]

Hi Jonathan,

We are happy to continue the existing arrangement and pay the deliveries in cash on the 25th of the following month.

Best,

Matthieu Milandri
Head of Upstream Finance
Direct: +41 22 592 37 06
Cell : +41 76 487 1856
E-mail: matthieu.milandri@trafigura.com

TRAFIGURA PTE
Branch Office Geneva
1 rue de Jargonnant
1207 Geneva Switzerland
Switchboard: +41 22 594 6900 Fax: +41 22 594 6901
<https://protect-us.mimecast.com/s/-T6UCv2Z4Xs7ZWBD1SQkwDi?domain=trafigura.com>

On 7 Sep 2023, at 13:32, Jonathan Klesch <jk@griffon-partners.com> wrote:

Hi Iain and Matthieu,

Glad to hear all is well with you. Following up from yesterday, wanted to confirm that we are happy to continue under the current marketing arrangements during the NOI process, subject to you confirming that you will continue to pay the company in cash on 25th of each month, rather than seeking to net the cash off the loan? Obviously, the company wouldn't be able to operate on the basis of the latter, and we would be forced to seek DIP financing and alternative marketing arrangements, which we do not wish to do. We value and appreciate the relationship with Trafigura.

Please confirm and happy to discuss.

Best regards,

Jonathan

Jonathan Klesch | ☐ +44 20 3988 0480

-
-
- ☐ <https://protect-us.mimecast.com/s/wB1tCzpXj2IMzRP0DUoZBLo?domain=griffon-partners.com>
 - ☐ 17 Waterloo Place, London, SW1Y 4AR

This email and any attachments are confidential and access to this email or attachment by anyone other than the addressee is unauthorised. If you are not the intended recipient please notify the sender and permanently delete the email including any attachments. You must not copy, disclose or distribute any of the contents to any other person. Personal views or opinions are solely those of the author and not of Trafigura Group Pte Ltd or its affiliates (the "Group"). The Group does not guarantee that the integrity of this communication has been maintained nor that the communication is free of viruses, interceptions or interference. By communicating with anyone at the Group by email, you consent to the monitoring or interception of such email by the Group in accordance with its internal policies. Unless otherwise stated, any pricing information given in this message is indicative only, is subject to change and does not constitute an offer to deal at any price quoted.

Jonathan Klesch

- ☐ +44 20 3988 0480
- ☐ <https://protect-us.mimecast.com/s/wB1tCzpXj2IMzRP0DUoZBLo?domain=griffon-partners.com>
- ☐ 17 Waterloo Place, London, SW1Y 4AR

This is **Exhibit "E"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.

A handwritten signature in blue ink, reading "Julie Treleven", is written over a horizontal line.

Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

GRIFFON PARTNERS

Capital Management

Consolidated Financial Statements
For the period from date of incorporation
April 6, 2022 to December 31, 2022

Independent Auditor's Report	1-2
Consolidated balance sheet	3
Consolidated statement of loss	4
Consolidated statement of cash flows	5
Consolidated statement of changes in shareholders' deficit	6
Notes to the consolidated financial statements	7-18

Independent Auditor's Report

To the Shareholders of Griffon Partners Capital Management Ltd.

Opinion

We have audited the consolidated financial statements of Griffon Partners Capital Management Ltd. (the "Company"), which comprise the consolidated balance sheet as at December 31, 2022, and the consolidated statements of loss, changes in shareholders' deficit and cash flows for the period from April 6, 2022 to December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the period from April 6, 2022 to December 31, 2022 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of \$4.2 million during the period from April 6, 2022 to December 31, 2022 and, as of December 31, 2022, the Company's current liabilities exceeded its total assets by \$18.3 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
April 25, 2023

CONSOLIDATED BALANCE SHEET

	Notes	As at December 31, 2022
<i>(In thousands of Canadian dollars)</i>		
Assets		
Current assets		
Cash		3,358
Crude oil inventories		172
Accounts receivable		3,329
Prepaid expenses and deposits		1,598
Derivative financial instruments	8	225
		8,682
Long term derivative financial instruments	8	371
Property, plant, and equipment	5	65,597
Total assets		74,650
Liabilities		
Current liabilities		
Accounts payable		8,302
Current portion of decommissioning provision	7	323
Current portion of debt obligations	6	18,334
		26,959
Senior secured loan	6	25,104
Promissory note	6	21,078
Decommissioning provision	7	5,676
Total liabilities		78,817
Shareholders' deficit		
Share capital	9	2
Deficit		(4,169)
Total shareholders' deficit		(4,167)
Total liabilities and shareholders' deficit		74,650

See accompanying notes to the consolidated financial statements

Approved by the Board of Directors

(signed)
Daryl Stepanic
Director

(signed)
Jonathan Klesch
Director

CONSOLIDATED STATEMENT OF LOSS

		For the period of incorporation from April 6 to December 31, 2022
<i>(In thousands of Canadian dollars)</i>	Notes	
Revenue		
Petroleum and natural gas sales	12	16,717
Royalties		(2,266)
Product revenue, net of royalties		14,451
Realized gains on derivative financial instruments	8	718
Unrealized gains on derivative financial instruments	8	596
		1,314
Other revenue		120
Total revenues		15,885
Expenses		
Operating and transportation		4,986
Marketing fees		316
General and administrative		1,444
Interest and financing charges	6	4,573
Deferred financing cost amortization		1,619
Depletion, depreciation, and amortization	5	4,177
Accretion of decommissioning provision	7	351
Realized loss on foreign exchange		152
Unrealized loss on foreign exchange		2,436
Total expenses		20,054
Net loss		(4,169)

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

		For the period of incorporation from April 6 to December 31, 2022
<i>(In thousands of Canadian dollars)</i>		
		Notes
Operating activities		
Net loss		(4,169)
Add items not involving cash		
Unrealized gains on derivative financial instruments		(596)
Unrealized loss on foreign exchange		2,482
Depletion, depreciation, and amortization		4,177
Accretion of decommissioning provision		351
Deferred financing cost amortization	6	1,619
Change in non-cash working capital	13	4,283
		8,147
Financing activities		
Funds forwarded by debtor under senior loan		40,981
Repayment of senior loan		(1,645)
		39,336
Investing activity		
Expenditures on property, plant, and equipment		(44,125)
Net increase in cash		3,358
Cash, beginning of period		—
Cash, end of period		3,358
The following are included in cash flow from operating activities		
Interest paid in cash		3,495

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT

<i>(In thousands of Canadian dollars)</i>		Notes	For the period of incorporation from April 6 to December 31, 2022
Share Capital			
Balance, beginning of period			—
Share issuance		9	2
Balance, end of period			<u>2</u>
Deficit			
Balance, beginning of period			—
Deficit			<u>(4,169)</u>
Balance, end of period			<u>(4,169)</u>
Shareholders deficit			<u>(4,167)</u>

See accompanying notes to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(all amounts in Canadian dollar thousands, except as noted)

1. Nature of operations

The principal undertakings of Griffon Partners Capital Management (the "Company" or "GPCM") is to hold the investment of Griffon Partners Holding Corp. ("GPHC").

GPCM was incorporated in Alberta on April 6, 2022 and is a privately owned company which owns 100 per cent of the shares in GPHC. GPHC owns 100 per cent of the shares of Griffon Partners Operation Corp. ("GPOC"). The principal undertakings of GPOC are to carry on the business of acquiring, developing, and holding interests in petroleum and natural gas properties and assets within Canada.

GPCM's principal place of business is located at Suite 900, 140 – 4 Avenue SW, Calgary, Alberta T2P 3N3.

2. Basis of Presentation

Corporate information

These consolidated financial statements (the "financial statements") have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and were prepared using accounting policies consistent with IFRS. The IFRS policies are in accordance with the accounting principles generally accepted in Canada as recommended in the *CPA Canada Handbook – Accounting*.

The financial statements were authorized for issue by the Board of Directors on April 25, 2023.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. For the period ended December 31, 2022, the Company reported cash flow from operating activities of \$8.1 million, a net loss of \$4.2 million and a net deficit of \$4.2 million. Sustained low commodity prices at the end of 2022, unprecedented winter storms resulting in lower production, and a challenging drilling program have put pressure on the Company's cash flows.

At December 31, 2022, the Company had \$3.4 million in cash and a negative working capital of \$18.3 million primarily due to the drilling payables and senior debt. Cash from operating activities is dependent on future commodity prices and production levels. In order to continue funding future capital programs, the Company will need to obtain additional equity or assess other options. The ability to access the required capital to maintain current production levels and cash flows is dependent on a variety of external factors. This material uncertainty may cast significant doubt upon the Company's ability to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. The appropriateness of the going concern basis is dependent upon, among other things, the ability to obtain equity financing, or other sources of funding for future capital programs.

3. Significant accounting policies

Presentation currency

All amounts in these financial statements are expressed in Canadian dollars, as this is the functional and presentation currency of the Company.

Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities owned and controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases

(ii) Transactions eliminated on consolidation

Inter-company balances and transactions and any unrealized income and expenses arising from inter-company transactions are eliminated in preparing the consolidated financial statements.

Revenue recognition

Revenue associated with the sale of crude oil, natural gas, and natural gas liquids ("NGLs") owned by GPCM is recognized when title is transferred from GPCM to its customers. GPCM's commodity sales contracts represent a series of distinct transactions. Revenue is measured at the consideration specified in the contracts and represents amounts receivable for goods or services provided in the normal course of business. Substantially all revenue is based on floating prices.

GPCM considers its performance obligations to be satisfied and control to be transferred when all the following conditions are satisfied:

- GPCM has transferred title and physical possession of the goods to the buyer
- GPCM has transferred the significant risks and rewards of ownership of the goods to the buyer;
and
- GPCM has the present right to payment.

Revenue is collected from GPCM's customers on the 25th day of the month following delivery. GPCM does not have any contracts where the period between the transfer of the contracted goods and payment by the customer exceeds one year. As such, GPCM does not adjust its revenue transactions for the time value of money.

Joint arrangements

GPCM does not have any joint venture arrangements. However, GPCM conducts a portion of its activities through jointly controlled operations. These financial statements reflect only the Company's proportionate interest in such activities. Joint control exists for contractual arrangements governing GPCM's assets whereby GPCM has less than 100 per cent working interest, all the partners have control of the arrangement collectively, and spending on the project requires unanimous consent of all parties that collectively control the arrangement and share the associated risks.

Crude Oil inventory

Crude Oil inventory consists of amounts produced and in storage tanks and is recorded at the lower of cost, determined on a weighted-average basis, and the net realizable value. Cost components include fixed and operating expenses. Net realizable value is the estimated selling price in the normal course of business.

Exploration and evaluation costs

Costs incurred prior to obtaining the legal right to explore for hydrocarbon resources are expensed in the period in which they are incurred.

Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. All such costs are subject to technical feasibility, commercial viability, and management review as well as review for impairment annually to confirm the continued intent to develop or otherwise extract value from the discovery.

Business combination with optional concentration test

The Company has adopted the concentration test as its preferred method for determining whether a business combination should be accounted for as an acquisition or a merger. Under this method, the Company considers various factors, including the relative size of the assets and liabilities acquired, the percentage of voting rights obtained, and the ability to exercise significant influence over the acquired entity.

When a business combination is deemed to be an asset acquisition, the Company recognizes the assets acquired and liabilities assumed at their fair values as of the acquisition date. Any excess of the purchase price over the fair value of the identifiable assets acquired and liabilities assumed is recognized as goodwill, which is not amortized but tested for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The Company capitalizes transaction costs associated with asset acquisitions in the initial consideration of the purchase price allocation.

Property, Plant, and Equipment ("PP&E")

Items of PP&E, which include oil and gas Development and Production ("D&P") assets and administrative assets, are measured at cost less accumulated depletion, depreciation, amortization, and accumulated impairment losses. The initial cost of GPCM's assets purchased on July 21, 2022 comprises its purchase price and the initial estimate of the decommissioning provision. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Transaction costs related to the acquisition of assets are capitalized in the initial consideration value of the asset.

Gains and losses on disposals of properties are determined by comparing the proceeds to the carrying value of the property net of associated decommissioning liabilities and are recognized in the consolidated statement of loss.

Depletion, depreciation, and amortization

D&P assets are componentized into groups of assets with similar useful lives for the purposes of performing depletion calculations. Depletion expense is calculated on the unit-of-production basis based on:

- (i) total estimated proved and probable producing reserves calculated by an independent third-party reserve evaluator in accordance with National Instrument 51-101 Standards of Disclosure for Oil activities;
- (ii) total capitalized costs plus estimated future development costs of proved and probable producing reserves, including future estimated decommissioning costs; and
- (iii) relative volumes of petroleum and natural gas reserves and production, before royalties, converted at the energy equivalent conversion ratio of six thousand cubic feet of natural gas to one barrel of oil.

Administrative assets are depreciated using the declining balance method over the useful lives of the assets.

Impairment

D&P assets are aggregated into cash-generating units ("CGUs") for the purposes of impairment testing and depletion calculations. CGUs are groups of assets that generate independent cash inflows and are generally defined based on geographic areas, with consideration given to how the assets are managed.

D&P assets are reviewed for impairment at a CGU level annually or when indicators of impairment exist. When indicators of impairment exist, the carrying value of each CGU is compared to its recoverable amount which is defined as the higher of its fair value less cost of disposal ("FVLCD") or its value in use ("VIU"). VIU is estimated as the present value of the future cash flows expected to arise from the continuing use of a CGU or an asset. FVLCD is the amount that would be realized from the disposition of an asset or CGU in an arm's length of reserves using forward prices and costs, consistent with Company's independent qualified reserves evaluators and may consider an evaluation of comparable asset transactions.

When the carrying value exceeds the recoverable amount, an impairment loss exists and is recognized in the consolidated statement of loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indicators that the impairment losses may no longer exist or may have decreased. In the event that an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount up to the carrying amount that would have been determined, net of depletion and depreciation, had no impairment losses been previously recognized.

Financial instruments

Amortized cost

Accounts receivable, deposits, accounts payable and accrued liabilities, and long-term debt are measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. The financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

Fair Value Through Profit or Loss ("FVTPL")

Derivative financial instruments are utilized by the Company to manage its exposure to market risk against volatility in commodity prices. All derivative financial instruments are initiated within the guidelines of the Company's credit facility agreement. GPCM has not designated its financial instruments as effective hedges, and thus has not applied hedge accounting. The estimated fair value of all derivative financial instruments is based on quoted market prices and are recorded using mark-to-market accounting whereby instruments are recorded in the consolidated balance sheet as either an asset or liability with the changes in fair value recognized in earnings (loss) as unrealized gain or loss on derivative financial instruments. Realized gains and losses on these instruments are recorded in the consolidated statement of loss in the period they occur.

Decommissioning provision

GPCM's oil and gas operating activities give rise to dismantling, decommissioning and site remediation activities. GPCM recognizes a liability for the estimated present value of the future decommissioning liabilities at each balance sheet date using a credit adjusted risk free discount rate, the inflation rate and the economic life of the infrastructure. However, actual decommissioning costs will ultimately depend upon the future market prices for the necessary decommissioning work required which will reflect market conditions at the relevant time. Furthermore, the timing of the decommissioning is likely to depend on when production activities cease to be economically viable. This in turn will depend and be directly related to the current and future commodity prices, which are inherently uncertain.

Amortization of capitalized decommissioning costs is included in depletion, depreciation, and amortization in the consolidated statement of loss. Increases in decommissioning liabilities resulting from the passage of time are recorded as accretion in the consolidated statement of loss.

Borrowing costs

Borrowing costs directly relating to the issuance of the Company's senior debt and promissory note have been capitalized and added to the related facility. The amount capitalized is amortized using the effective interest rate. All other borrowing costs are recognized in the consolidated statement of loss in the period in which they are incurred.

Transaction costs

Costs incurred related to the completion of asset acquisitions or business combinations are capitalized in the initial consideration of the purchase price allocation. Incorporation costs incurred by the Company and transaction costs for future acquisitions are expensed in the period in which they are incurred.

Deferred Income Taxes

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for

taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting dates.

Deferred tax is recognized in the consolidated statement of loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Deferred tax assets are only recognized for temporary differences, unused tax losses and unused tax credits if it is probable that future tax amounts will arise to utilize those amounts.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

4. Management judgements and estimation uncertainty

The timely preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and revenues and expenses during the reporting year. Actual results could differ from those estimated. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are discussed below.

The crude oil market has responded positively to increased demand following the COVID-19 pandemic, but the potential for volatility in demand and supply remains. This presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by Management in the preparation of its financial results. Current market conditions have increased the complexity of estimates and assumptions used to prepare the financial statements, particularly related to reserves and recoverable amounts.

In addition, climate change and the evolving worldwide demand for alternative sources of energy that are not sourced from fossil fuels could result in a change in assumptions used in determining the recoverable amount and could affect the carrying value of the related assets. As these issues become more of a regulatory focus by governments, future financial performance may be impacted. This also presents uncertainty and risk with respect to the Company, its performance and estimates and assumptions. The timing in which global energy markets transition from carbon-based sources to alternative energy or when new regulatory practices may be implemented is highly uncertain.

Changes to assumptions could result in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Recoverability of asset carrying values

The recoverability of D&P asset carrying values is assessed at the CGU level. Determination of what constitutes a CGU is subject to management judgments. The asset composition of a CGU can directly impact the recoverability of the assets included therein. In assessing the recoverability of oil and gas properties, each CGU's carrying value is compared to its recoverable amount, defined as the greater of its fair value less cost of disposal and value in use. Management has determined that GPCM's asset base represents one CGU consisting of GPCM's Viking properties located in Eastern Alberta and Central Saskatchewan. The properties contained in each CGU are in close proximity to each other, with similar cost structures and marketing arrangements. GPCM applies information on estimates of future commodity prices, expected production volumes, quantity of reserves and resources, future development costs, future operating costs, discount rates and income taxes when determining an acceptable range of recoverable amounts.

Key estimates used in determining receivable amount from the Company's reserves include:

- Reserves - Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs, required capital expenditures or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

- Crude oil and natural gas prices - Forward price estimates are used in the discounted cash flow model. These prices are adjusted for quality differentials, heat content and distance to market. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather, economic and geopolitical factors.
- Discount rate - The discount rate used to calculate the net present value of cash flows is based on "estimated market participant rate".

Accrual estimates

Revenue, royalty, operating expense, and capital amounts are estimated at each reporting date before actual results are known. These estimates rely on management judgment and could vary from actual results.

Depletion of oil and gas assets

Depletion of oil and gas assets is determined based on estimated total proved and probable producing reserves as well as estimated future development costs. Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs, required capital expenditures or recovery rates may change the economic status of reserves and may ultimately result in reserves being revised.

Business combinations

Determination of the fair value of acquired assets and liabilities in a business combination requires management to make assumptions and estimates about future events. The fair value of crude oil and natural gas interests is estimated with reference to the discounted cash flows expected to be derived from crude oil and natural gas production. These assumptions and estimates generally require judgment and include estimates of reserves acquired, liabilities assumed, forecasted commodity prices, expected production volumes, future development and operating costs, income taxes, and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to the net assets acquired, goodwill or gain on business combination.

Decommissioning liability

The provision for abandonment and reclamation is based on current regulatory, legal and constructive requirements, technology, price levels and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions and changes in technology.

Derivative instruments

The estimated fair value of derivative instruments resulting in financial assets and liabilities is reliant upon forward prices. Any change in the forward price curves could result in a change to the estimated valuation of the instruments.

Income taxes

Tax regulations and legislation are subject to change and differing interpretations requiring management judgement. Deferred tax assets are recognized when it is considered probable that deductible temporary differences will be recovered in future periods, which requires management judgement. Deferred tax liabilities are recognized when it is considered probable that the tax on temporary differences will be payable to tax authorities in future periods, which requires management judgement. Income tax filings are subject to audits and reassessments and changes in facts, circumstances and interpretations of the regulations and legislation may result in a material increase or decrease in GPCM's income tax assets and liabilities.

5. Property, plant and equipment

The following table reconciles GPCM's property, plant & equipment:

Cost	
At June 7, 2022	—
Acquisitions	65,339
Additions	4,435
At December 31, 2022	69,774
Accumulated depletion and depreciation	
At June 7, 2022	—
Depletion and Depreciation	(4,177)
At December 31, 2022	(4,177)
Carrying amount at June 7, 2022	—
Carrying amount at December 31, 2022	65,597

On July 21, 2022, the Company acquired assets in the Viking play for cash consideration of \$59.5 million. The acquisition resulted in an increase in PP&E of \$65.6 million including \$6.0 million in decommissioning liabilities. The assets acquired include a working interest in production and reserves.

From April 6, 2022 to December 31, 2022, GPCM capitalized additions of \$0.5 million directly attributable to exploration and development activities. At December 31, 2022, there were no indicators of impairment identified.

6. Current and long-term debt

	Current	Long-Term
Long-term senior secured loan	18,334	25,104
Promissory note	—	21,078
Total	18,334	46,182

On July 21, 2022, the Company entered an agreement with its syndicate of lenders and term debt note holders for a \$35.9 million US dollars ("USD") senior secured covenant-based loan. This facility has a maturity date of January 31, 2025. Borrowings under the loan were issued at an original discount of 8 per cent and bear interest at 9.5 per cent plus prime.

Under the senior secured loan, the Company is required to monitor and maintain certain financial ratios, including but not limited to, the total leverage ratio and PDP coverage ratio. These ratios are defined by the credit facility and are not defined under IFRS.

Prior to December 31, 2022, the senior secured lenders provided a waiver for the Company's failure to maintain financial ratios and failure to pay the monthly installment of outstanding principal on November 1, 2022 and December 1, 2022.

On July 21, 2022, the Company entered an agreement for a promissory note of \$20 million CAD with a third party lender and this note has a maturity date of July 21, 2025 and bears interest at 12 percent. Interest not paid on the interest payment date is paid in kind ("PIK") at 14 percent interest rate and deemed to be added to the principal amount.

The senior secured loan and promissory note are secured by a fixed and floating charge debenture granting security interest over all present and after-acquired real and personal property as well as limited guarantees and collateral provided by the Company's shareholders.

Total interest expense for 2022 was \$4.6 million.

7. Decommissioning provision

The Company makes provision for the future cost of decommissioning wells and facilities on a discounted basis based on the timing of abandonment and reclamation of these assets.

The undiscounted and unescalated amount of the expected cash flows required to settle the decommissioning liability is estimated to be \$26.7 million as at December 31, 2022. The liability for the expected cash flows, as reflected in the financial statements, has been inflated at 2 per cent and discounted using the Company's credit adjusted risk free rate of 12.81 per cent as of December 31, 2022. Abandonments and reclamations are expected to occur between 2023 and 2064 and related costs will be funded mainly from cash provided by GPCM's operating activities.

The following table reconciles the change in decommissioning provision:

Balance, beginning of period	—
Acquisitions	5,624
Additions	24
Accretion	351
Balance, end of period	5,999
Expected to be incurred within one year	323
Expected to be incurred beyond one year	5,676

8. Financial derivative contracts

On July 21, 2022, GPCM entered into price swaps to reduce its exposure to fluctuations in commodity prices. GPCM has not designated its financial derivative contracts as effective hedges, and thus has not applied hedge accounting.

At December 31, 2022, the Company currently holds the following CAD\$ price swap contracts with a term to July 31, 2025:

Period	Crude oil		Natural gas	
	bbl/d	avg CAD\$ fixed price	GJ/d	avg CAD\$ fixed price
Jan 2023 - Mar 2023	521	106.76	5,266	5.53
Apr 2023 - Oct 2023	441	102.21	4,634	3.76
Nov 2023 - Mar 2024	358	97.88	3,907	4.27
Apr 2024 - Oct 2024	273	94.72	3,077	3.28
Nov 2024 - Mar 2025	188	91.81	2,193	3.99
Apr 2025 - Jul 2025	174	90.05	2,077	3.36

As at December 31, 2022, the fair value associated with GPCM's financial derivatives was \$0.6 million asset (\$0.2 million current asset, \$0.4 million long term asset).

9. Shareholders' deficit

GPCM is authorized to issue an unlimited number of Common Shares. Holders of Class A common shares are entitled to one vote per share issued at the Company's Board meetings. Holders of Class B shares are entitled to dividends if declared by the Board, and upon liquidation, dissolution or winding up of the Company, the remaining property and assets of GPCM.

On June 3, 2022, GPCM issued 4 Class A shares and 100,000 Class B shares to four individual corporations. The following table provides a detailed breakdown of the shareholders' capital as at December 31, 2022:

Type of Shares	Number of Units	Value per Share	Share Capital
Class A	4	\$250.00	\$ 1
Class B	100,000	\$0.01	\$ 1
			\$ 2

10. Income taxes

The tax provision differs from the amount computed by applying the combined Canadian federal and provincial statutory income tax rates to income before deferred income tax expense as follows:

	For the period of incorporation from April 6 to December 31, 2022
Loss before income taxes	(4,169)
Canadian statutory rate	23%
Computed income tax expense at statutory rates	(959)
Effect on income tax of:	
Non-taxable portion of capital gains/losses	285
Movement in deferred tax asset not recognized	673
Total income tax provision	—

	At December 31, 2022
Deferred tax assets (liabilities):	
Property, plant, and equipment	(1,434)
Derivative financial instruments	(137)
Financing fees	200
Foreign exchange	285
Non-capital loss carry forward	380
Decommissioning provision	1,379
Unrecognized deferred tax asset	673

11. Financial instruments

Classification and measurement

GPCM's financial instruments on the consolidated balance sheet are carried at amortized cost with the exception of financial derivative contracts, which are carried at fair value. As at December 31, 2022, no significant differences existed between the carrying value of financial instruments and their estimated fair values.

All of GPCM's financial derivative contracts are transacted in active markets. GPCM classifies the fair value of these transactions according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, forward exchange rates, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial derivative contracts have been assessed on the fair value hierarchy described above and classified as Level 2.

Market risk management

GPCM is exposed to a number of different financial risks arising from normal course business exposures, as well as the Company's use of financial instruments. There have been no changes in the Company's objectives, policies or risks surrounding financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its senior loan facility obligations with floating interest rates. Therefore, changes in interest rates could result in an increase or decrease in the amount GPCM pays to service its debt. At December 31, 2022, the Company had variable rate senior secured debt (Note 6) totaling \$34.6 million USD and therefore a 1 per cent change in the interest rate on senior secured debt would have an impact of \$0.2 million on net income for the period from April 6, 2022 to December 31, 2022.

(b) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. GPCM's foreign currency risk arises from senior secured debt denominated in USD. At December 31, 2022 the Company had USD debt of \$34.6 million and a \$0.01 change in the exchange rate would have an impact of \$0.4 million on the net income for the period from April 6, 2022 to December 31, 2022.

(c) Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate in prevailing market commodity prices on the mix of oil and gas products it produces. The Company's policy is to manage these risks through entering into hedging arrangements for 50 to 85 per cent of its expected production. The products do not qualify for hedge accounting but provide a natural hedge against rising or falling commodity prices. At December 31, 2022 the Company had produced 1,660 barrels of oil equivalent ("boe") per day which was 90% hedged and a \$1.00 change in commodity prices would have an impact of \$0.2 million on net income for the period from April 6, 2022 to December 31, 2022.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations at the point at which they are due. Management's assessment of its liquidity reflects estimates, assumptions and judgements related to current and future market conditions.

In order to continue funding future capital programs, the Company will need to obtain additional equity or assess other options. The ability to access the required capital to maintain current production levels and cash flows is dependent on a variety of external factors. This material uncertainty may cast significant doubt upon the Company's ability to continue as a going concern.

The following table details the contractual maturities of the Company's financial liabilities as at December 31, 2022:

	Less than one year	Greater than one year
Accounts payable	8,302	—
Senior secured loan	18,334	25,104
Promissory note	—	21,078
Total	26,636	46,182

(e) *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. GPCM is or may be exposed to third party credit risk through its contractual arrangements with its joint venture partners, marketers of petroleum and natural gas and other parties. In the event such entities fail to meet their contractual obligations to GPCM, such failures could have a material adverse effect. The maximum credit risk that the Company is exposed to is the carrying value of accounts receivable and risk management contracts.

The majority of the credit exposure on accounts receivable at December 31, 2022 pertains to accrued revenue for December 2022 production volumes. GPCM transacts with a number of recognized, creditworthy oil and natural gas marketing companies. Marketing companies typically remit amounts to GPCM by the 25th day of the month following production. A significant portion of GPCM's accounts receivable is carried by two marketing companies. At December 31, 2022, 66 per cent of the total outstanding accounts receivable pertains to these two companies.

In addition, receivable balances are monitored on an ongoing basis, with the result that the Company's exposure to bad debts is not significant at December 31, 2022. As at December 31, 2022 the Company had \$103,375 outstanding receivables over 90 days primarily related to the monies owed to GPCM for the final statement of adjustments from the asset purchase on July 21, 2022.

12. Petroleum and natural gas sales

GPCM sells its production pursuant to variable-price contracts. The transaction price for these contracts is based on commodity prices adjusted for quality and other factors. The contracts to sell the Company's crude oil, natural gas and natural gas liquids have varying terms with the majority greater than one year. The following table provides a summary of GPCM's revenue streams for the period from April 6, 2022 to December 31, 2022:

Crude oil	8,539
Natural gas liquids	5,732
Natural gas	2,446
Total petroleum and natural gas sales	16,717

13. Supplemental disclosures cash flow information

The following table provides a detailed breakdown of the changes in non-cash working capital for the period from April 6, 2022 to December 31, 2022:

Accounts receivable	(3,329)
Prepaid expenses and deposits	(1,598)
Inventory	(172)
Accounts payable	8,304
Promissory note interest PIK	1,078
Total	4,283

14. Commitments and contingencies

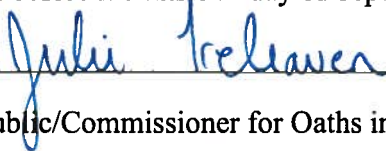
In addition to those recorded on the Company's balance sheet, the following is a summary of GPCM's contractual obligations and commitments as at December 31, 2022:

	2023	2024	2025
Interest payments - fixed rate component	6,571	4,785	1,388
Interest payments - variable rate component	3,293	1,877	3
Total	9,864	6,662	1,391

15. Related party

The Company has determined that the key management personnel consists of its officers and directors. GPCM's key management personnel are contracted employees of GPOC and total compensation for 2022 was \$0.4 million.

This is **Exhibit "F"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.

A handwritten signature in blue ink, reading "Julie Treleven", is written over a horizontal line.

Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

GRIFFON PARTNERS

Capital Management

Interim Condensed Consolidated Financial Statements
January 1, 2023 to June 30, 2023



Interim consolidated balance sheet	1
Interim consolidated statement of loss	2
Interim consolidated statement of cash flows	3
Interim consolidated statement of changes in shareholders' deficit	4
Notes to the unaudited interim consolidated financial statements	5-16

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)

<i>(In thousands of Canadian dollars)</i>		Notes	June 30, 2023	December 31, 2022
Assets				
Current assets				
Cash			452	3,358
Crude oil inventories			152	172
Accounts receivable			2,004	3,329
Prepaid expenses and deposits			1,246	1,598
Derivative financial instruments	6		2,365	225
			6,219	8,682
Long term derivative financial instruments	6		269	371
Property, plant, and equipment	3		61,902	65,597
Total assets			68,390	74,650
Liabilities				
Current liabilities				
Accounts payable			3,538	8,302
Current portion of decommissioning provision	5		294	323
Current portion of debt obligations	4		43,150	18,334
			46,982	26,959
Senior secured loan	4		—	25,104
Promissory note	4		22,279	21,078
Decommissioning provision	5		6,060	5,676
Total liabilities			75,321	78,817
Shareholders' deficit				
Share capital			2	2
Deficit			(6,933)	(4,169)
Total shareholders' deficit			(6,931)	(4,167)
Total liabilities and shareholders' deficit			68,390	74,650

See accompanying notes to the unaudited interim consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF LOSS (unaudited)

<i>(In thousands of Canadian dollars)</i>	Notes	Three months ended June 30, 2023	Six months ended June 30, 2023
Revenue			
Petroleum and natural gas sales	9	4,948	10,840
Royalties		(556)	(1,311)
Product revenue, net of royalties		4,392	9,529
Realized gains on derivative financial instruments	6	196	2,912
Unrealized gains on derivative financial instruments	6	1,362	2,038
		1,558	4,950
Other revenue		82	150
Total revenues		6,032	14,629
Expenses			
Operating and transportation		3,138	6,170
Marketing fees		20	(20)
General and administrative		475	1,040
Interest and financing charges	4	2,592	5,273
Deferred financing cost amortization		594	1,531
Depletion, depreciation, and amortization	3	2,261	4,278
Accretion of decommissioning provision	5	192	384
Realized loss on foreign exchange		(20)	(196)
Unrealized loss on foreign exchange		(1,001)	(1,067)
Total expenses		8,251	17,393
Net loss		(2,219)	(2,764)

See accompanying notes to the unaudited interim consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

<i>(In thousands of Canadian dollars)</i>		Three months ended June 30, 2023	Six months ended June 30, 2023
	Notes		
Operating activities			
Net loss		(2,220)	(2,765)
Add items not involving cash			
Unrealized gains on derivative financial instruments		(1,362)	(2,038)
Unrealized loss on foreign exchange		(1,035)	(1,304)
Depletion, depreciation, and amortization		2,261	4,278
Accretion of decommissioning provision		192	384
Deferred financing cost amortization	4	594	1,531
Change in non-cash working capital	10	74	(1,866)
		(1,496)	(1,780)
Financing activities			
Funds forwarded by debtor under senior loan		—	—
Repayment of senior loan		(1)	(514)
		(1)	(514)
Investing activity			
Expenditures on property, plant, and equipment		(68)	(612)
Net increase in cash		(1,565)	(2,906)
Cash, beginning of period		452	3,358
Cash, end of period		(1,113)	452
The following are included in cash flow from operating activities			
Interest paid in cash		2,065	4,067

See accompanying notes to the unaudited interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
For the six months ended June 30

(In thousands of Canadian dollars)

Notes

June 30, 2023

Share Capital

Balance, beginning of period
Share issuance
Balance, end of period

2

—

2

Deficit

Balance, beginning of period
Deficit
Balance, end of period

(4,169)

(2,764)

(6,933)

Shareholders deficit

(6,931)

See accompanying notes to the unaudited interim consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

(all amounts in Canadian dollar thousands, except as noted)

1. Nature of operations

The principal undertakings of Griffon Partners Capital Management (the "Company" or "GPCM") is to hold the investment of Griffon Partners Holding Corp. ("GPHC").

GPCM was incorporated in Alberta on April 6, 2022 and is a privately owned company which owns 100 per cent of the shares in GPHC. GPHC owns 100 per cent of the shares of Griffon Partners Operation Corp. ("GPOC"). The principal undertakings of GPOC are to carry on the business of acquiring, developing, and holding interests in petroleum and natural gas properties and assets within Canada.

GPCM's principal place of business is located at Suite 900, 140 – 4 Avenue SW, Calgary, Alberta T2P 3N3.

2. Basis of Presentation

Corporate information

These unaudited consolidated financial statements (the "financial statements") have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and were prepared using accounting policies consistent with IFRS. The IFRS policies are in accordance with the accounting principles generally accepted in Canada as recommended in the *CPA Canada Handbook – Accounting*. These financial statements are consistent with GPCM's financial statements for the period ended December 31, 2022. The financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Audited Financial Statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS.

The unaudited financial statements were authorized for issue by the Board of Directors on **September 12, 2023**.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

At June 30, 2023, the Company has a working capital deficit of \$40.0 million and used cash flow in operations of \$1.5 million. The Company has a structured loan of \$43.1 million due immediately as a result of contravened covenants. On August 16, 2023 the lenders demanded full repayment of the senior secured loan and subsequently on August 25, 2023 the Company filed a Notice of Intention ("NOI") to Make a Proposal pursuant to subsection 50.4(1) of the Bankruptcy and Insolvency Act (Canada) ("BIA"). The Company were granted a stay of proceedings pursuant to subsection 69.1 of the BIA.

The Company's ability to continue as a going concern is dependent on its ability to realize forecasted revenues, achieve profitable operations, control the timing and extent of projected expenditures, and restructure its debt agreements during the NOI. As a result, there are material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The financial statements do not reflect adjustments to carrying amounts of the Company's assets, liabilities, revenues, expenses, and balance sheet classifications that could be necessary if the going concern assumption is not appropriate. Such adjustments could be material.

3. Property, plant and equipment

The following table reconciles GPCM's property, plant & equipment:

Cost	
At December 31, 2022	69,774
Additions	583
At June 30, 2023	70,357
Accumulated depletion and depreciation	
At December 31, 2022	(4,177)
Depletion and Depreciation	(4,278)
At June 30, 2023	(8,455)
Carrying amount at December 31, 2022	65,597
Carrying amount at June 30, 2023	61,902

At June 30, 2023, there were no indicators of impairment identified.

4. Current and long-term debt

	Current	Long-Term
Long-term senior secured loan	43,150	—
Promissory note	—	22,279
Total	43,150	22,279

On July 21, 2022, the Company entered an agreement with its syndicate of lenders and term debt note holders for a \$35.9 million US dollars ("USD") senior secured covenant-based loan. This facility has a maturity date of January 31, 2025. Borrowings under the loan were issued at an original discount of 8 per cent and bear interest at 9.5 per cent plus prime.

Under the senior secured loan, the Company is required to monitor and maintain certain financial ratios, including but not limited to, the total leverage ratio and PDP coverage ratio. These ratios are defined by the credit facility and are not defined under IFRS.

As of June 30, 2023, the Company has failed to maintain financial ratios and pay the full monthly installments of outstanding principal and the outstanding balance of \$34.1 million USD has been reported as current debt. See Note 2: Going Concern and Note 13: Subsequent events.

On July 21, 2022, the Company entered an agreement for a promissory note of \$20 million CAD with a third party lender and this note has a maturity date of July 21, 2025 and bears interest at 12 percent. Interest not paid on the interest payment date is paid in kind ("PIK") at 14 percent interest rate and deemed to be added to the principal amount.

The senior secured loan and promissory note are secured by a fixed and floating charge debenture granting a security interest over all present and after-acquired real and personal property as well as limited guarantees and collateral provided by the Company's shareholders.

Total interest expense for three and six months ended June 30, 2023 was respectively \$2.6 million and \$5.2 million.

5. Decommissioning provision

The Company makes provision for the future cost of decommissioning wells and facilities on a discounted basis based on the timing of abandonment and reclamation of these assets.

The undiscounted and unescalated amount of the expected cash flows required to settle the decommissioning liability is estimated to be \$26.7 million as at June 30, 2023 (unchanged from December 31, 2022). The liability for the expected cash flows, as reflected in the financial statements, has been inflated at 2 per cent and discounted using the Company's credit adjusted risk free rate of 12.81 per cent as of June 30, 2023 (unchanged from December 31, 2022). Abandonments and reclamations are expected to occur between 2023 and 2064 and related costs will be funded mainly from cash provided by GPCM's operating activities.

The following table reconciles the change in decommissioning provision:

Balance, beginning of period	5,999
Liabilities settled	(29)
Accretion	384
Balance, end of period	6,354
Expected to be incurred within one year	294
Expected to be incurred beyond one year	6,060

6. Financial derivative contracts

On July 21, 2022, GPCM entered into price swaps to reduce its exposure to fluctuations in commodity prices. GPCM has not designated its financial derivative contracts as effective hedges, and thus has not applied hedge accounting.

At June 30, 2023, the Company currently holds the following CAD\$ price swap contracts with a term to July 31, 2025:

Period	Crude oil		Natural gas	
	bbl/d	avg CAD\$ fixed price	GJ/d	avg CAD\$ fixed price
Jul 2023 - Oct 2023	408	100.89	4,426	2.34
Nov 2023 - Mar 2024	358	97.88	3,907	4.27
Apr 2024 - Oct 2024	273	94.72	3,077	3.28
Nov 2024 - Mar 2025	188	91.81	2,193	3.99
Apr 2025 - Jul 2025	174	90.05	2,077	3.36

As at June 30, 2023, the fair value associated with GPCM's financial derivatives was \$2.6 million assets (\$2.3 million current assets, \$0.3 million long term assets). See Note 13: Subsequent events.

7. Income taxes

Deferred income tax assets are recognized for tax loss and tax loss carry-forwards to the extent that the realization of the related tax benefit through future tax profits is probable. As at June 30, 2023 and December 31, 2022 the Company's income tax provision is \$0 and the unrecognized deferred tax asset is \$0.7 million.

8. Financial instruments

Classification and measurement

GPCM's financial instruments on the consolidated balance sheet are carried at amortized cost with the exception of financial derivative contracts, which are carried at fair value. As at June 30, 2023, no significant differences existed between the carrying value of financial instruments and their estimated fair values.

All of GPCM's financial derivative contracts are transacted in active markets. GPCM classifies the fair value of these transactions according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, forward exchange rates, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial derivative contracts have been assessed on the fair value hierarchy described above and classified as Level 2.

Market risk management

GPCM is exposed to a number of different financial risks arising from normal course business exposures, as well as the Company's use of financial instruments. There have been no changes in the Company's objectives, policies or risks surrounding financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its senior loan facility obligations with floating interest rates. Therefore, changes in interest rates could result in an increase or decrease in the amount GPCM pays to service its debt. At June 30, 2023, the Company had variable rate senior secured debt (Note 4) totaling \$34.2 million USD and therefore a 1 per cent change in the interest rate on senior secured debt would have an impact of \$0.3 million on net income for the six months ended June 30, 2023.

(b) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. GPCM's foreign currency risk arises from senior secured debt denominated in USD. At June 30, 2023 the Company had USD debt of \$34.2 million and a \$0.01 change in the exchange rate would have an impact of \$0.3 million on the net income for the six months ended June 30, 2023.

(c) Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate in prevailing market commodity prices on the mix of oil and gas products it produces. The Company's policy is to manage these risks through entering into hedging arrangements for 50 to 85 per cent of its expected production. The products do not qualify for hedge accounting but provide a natural hedge against rising or falling commodity prices. At June 30, 2023 the Company had produced 1,546 boe per day which was 80% hedged and a \$1.00 change in commodity prices would have an impact of \$0.3 million on net income for the six months ending June 30, 2023.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations at the point at which they are due. Management's assessment of its liquidity reflects estimates, assumptions and judgements related to current and future market conditions.

In order to continue funding future capital programs, the Company will need to obtain additional equity or assess other options. The ability to access the required capital to maintain current

production levels and cash flows is dependent on a variety of external factors. This material uncertainty may cast significant doubt upon the Company's ability to continue as a going concern, see Note 2 for further disclosure.

The following table details the contractual maturities of the Company's financial liabilities as at June 30, 2023:

	Less than one year	Greater than one year
Accounts payable	3,538	—
Senior secured loan	43,150	—
Promissory note	—	22,279
Balance	46,688	22,279

(e) *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. GPCM is or may be exposed to third party credit risk through its contractual arrangements with its joint venture partners, marketers of petroleum and natural gas and other parties. In the event such entities fail to meet their contractual obligations to GPCM, such failures could have a material adverse effect. The maximum credit risk that the Company is exposed to is the carrying value of accounts receivable and risk management contracts.

The majority of the credit exposure on accounts receivable at June 30, 2023 pertains to accrued revenue for June 2023 production volumes. GPCM transacts with two recognized, creditworthy oil and natural gas marketing companies. Marketing companies typically remit amounts to GPCM by the 25th day of the month following production. At June 30, 2023, 75 per cent (December 31 – 66 per cent) of the total outstanding accounts receivable pertains to these two companies.

In addition, receivable balances are monitored on an ongoing basis, with the result that the Company's exposure to bad debts is not significant at June 30, 2023. As at June 30, 2023 the Company had \$0.2 million (December 31 - \$0.1 million) outstanding receivables over 90 days with all amounts collectable.

9. Petroleum and natural gas sales

GPCM sells its production pursuant to variable-price contracts. The transaction price for these contracts is based on commodity prices adjusted for quality and other factors. The contracts to sell the Company's crude oil, natural gas and natural gas liquids have varying terms with the majority greater than one year. The following table provides a summary of GPCM's revenue streams:

	Three months ended June 30, 2023	Six months ended June 30, 2023
Crude oil	3,232	6,756
Natural gas liquids	614	1,598
Natural gas	1,102	2,486
Total petroleum and natural gas sales	4,948	10,840

10. Supplemental disclosures cash flow information

The following table provides a detailed breakdown of the changes in non-cash working capital:

	Three months ended June 30, 2023	Six months ended June 30, 2023
Accounts receivable	949	877
Prepaid expenses and deposits	222	352
Inventory	35	20
Accounts payable	(2,092)	(4,316)
Promissory note interest PIK	604	1,201
Total	(282)	(1,866)

11. Commitments and contingencies

In addition to those recorded on the Company's balance sheet, the following is a summary of GPCM's contractual obligations and commitments as at June 30, 2023:

	2023	2024	2025
Interest payments - fixed rate component	3,408	3,961	1,384
Interest payments - variable rate component	1,909	1,350	0
Total	5,317	5,311	1,384

12. Related party

The Company has determined that the key management personnel consists of its officers and directors. GPCM's key management personnel are contracted employees of GPOC and total compensation for the three and six months ended June 30, 2023 was respectively \$0.2 million and \$0.3 million.

13. Subsequent events

On July 28, 2023, the Company unwound its financial derivative price swap contracts for a financial settlement of \$0.05 million.

On August 16, 2023, the Company was issued a notice of intention by the senior lenders to enforce security pursuant to section 244 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3. The Company is in breach of its obligations under the Agreements, including, without limitation, an Event of Default has occurred due to the failure to meet mandatory principle amortization payments as required under section 2.5(2) of the Loan Agreement, along with breaches of covenants under the Loan Agreement including section 6.1 (c) payments, section 6.1(y) use of available cash to comply with liquidity covenant, and section 6.3 financial covenants.

On August 25, 2023, the Company filed a Notice of Intention ("NOI") to Make a Proposal pursuant to subsection 50.4(1) of the Bankruptcy and Insolvency Act (Canada) ("BIA"). The Company was granted a stay of proceedings pursuant to subsection 69.1 of the BIA.

This is **Exhibit "G"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.



Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

Search ID #: Z16552187

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029

Phone #: 403 592 7120

Reference #: 1247318-2381

Search ID #: Z16552187

Date of Search: 2023-Sep-11

Time of Search: 15:22:19

Business Debtor Search For:

GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16552187

Business Debtor Search For:

GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.

Search ID #: Z16552187

Date of Search: 2023-Sep-11

Time of Search: 15:22:19

Registration Number: 22071935930

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-19

Registration Status: Current

Expiry Date: 2032-Jul-19 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.
900, 140 FOURTH AVENUE S.W.
CALGARY, AB T2P 3N3

Current

Secured Party / Parties

Block

Status

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Current

Collateral: General

Block

Description

Status

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

Current

Search ID #: Z16552187

Business Debtor Search For:

GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.

Search ID #: Z16552187

Date of Search: 2023-Sep-11

Time of Search: 15:22:19

Registration Number: 22071936002

Registration Type: LAND CHARGE

Registration Date: 2022-Jul-19

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.
900, 140 FOURTH AVENUE S.W.
CALGARY, AB T2P 3N3

Secured Party / Parties

Block

Status

Current

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Result Complete

Search ID #: Z16552182

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029

Phone #: 403 592 7120

Reference #: 1247318-2381

Search ID #: Z16552182

Date of Search: 2023-Sep-11

Time of Search: 15:20:30

Business Debtor Search For:

GRIFFON PARTNERS HOLDING CORP.

Both Exact and Inexact Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16552182

Business Debtor Search For:

GRIFFON PARTNERS HOLDING CORP.

Search ID #: Z16552182

Date of Search: 2023-Sep-11

Time of Search: 15:20:30

Registration Number: 22071936060

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-19

Registration Status: Current

Expiry Date: 2032-Jul-19 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 GRIFFON PARTNERS HOLDING CORP.
900, 140 FOURTH AVENUE S.W.
CALGARY, AB T2P 3N3

Secured Party / Parties

Block

Status

Current

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Collateral: General

Block

Description

Status

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

Current

Search ID #: Z16552182

Business Debtor Search For:

GRIFFON PARTNERS HOLDING CORP.

Search ID #: Z16552182

Date of Search: 2023-Sep-11

Time of Search: 15:20:30

Registration Number: 22071936109

Registration Type: LAND CHARGE

Registration Date: 2022-Jul-19

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 GRIFFON PARTNERS HOLDING CORP.
900, 140 FOURTH AVENUE S.W.
CALGARY, AB T2P 3N3

Secured Party / Parties

Block

Status

Current

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Search ID #: Z16552182

Note:

The following is a list of matches closely approximating your Search Criteria,
which is included for your convenience and protection.

Debtor Name / Address

GRAY FIN INC.
382 WILDWOOD DR SW
CALGARY, AB T3C 3E6

Reg.#

20033012644

SECURITY AGREEMENT

Debtor Name / Address

GRAY FIN INC.
382 WILDWOOD DR SW
CALGARY, AB T3C 3E6

Reg.#

20033014472

SECURITY AGREEMENT

Debtor Name / Address

GRYPHON CORPORATION
SUITE 1600, 530 - 8 AVENUE SW
CALGARY, AB T2P 3S8

Reg.#

10101425249

SECURITY AGREEMENT

Debtor Name / Address

GRYPHON ENTERPRISES LTD.
200, 5110 - 51 AVENUE
COLD LAKE, AB T9M 1P3

Reg.#

21011219726

SECURITY AGREEMENT

Debtor Name / Address

GRYPHON HOLDINGS LTD.
13 BRAEMAR GLEN RD
CALGARY, AB T3Z 3C9

Reg.#

23021331071

SECURITY AGREEMENT

Result Complete

Search ID #: Z16552108

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029

Phone #: 403 592 7120

Reference #: 1247318-2381

Search ID #: Z16552108

Date of Search: 2023-Sep-11

Time of Search: 15:11:51

Business Debtor Search For:

GRIFFON PARTNERS OPERATION CORP.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16552108

Business Debtor Search For:

GRIFFON PARTNERS OPERATION CORP.

Search ID #: Z16552108

Date of Search: 2023-Sep-11

Time of Search: 15:11:51

Registration Number: 22071935770

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-19

Registration Status: Current

Expiry Date: 2032-Jul-19 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 GRIFFON PARTNERS OPERATION CORP.
900, 140 FOURTH AVENUE S.W.
CALGARY, AB T2P 3N3

Current

Secured Party / Parties

Block

Status

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Current

Collateral: General

Block

Description

Status

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

Current

Search ID #: Z16552108

Business Debtor Search For:

GRIFFON PARTNERS OPERATION CORP.

Search ID #: Z16552108

Date of Search: 2023-Sep-11

Time of Search: 15:11:51

Registration Number: 22071935846

Registration Type: LAND CHARGE

Registration Date: 2022-Jul-19

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 GRIFFON PARTNERS OPERATION CORP.
900, 140 FOURTH AVENUE S.W.
CALGARY, AB T2P 3N3

Secured Party / Parties

Block

Status

Current

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Search ID #: Z16552108

Business Debtor Search For:

GRIFFON PARTNERS OPERATION CORP.

Search ID #: Z16552108

Date of Search: 2023-Sep-11

Time of Search: 15:11:51

Registration Number: 22072008698

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-20

Registration Status: Current

Expiry Date: 2032-Jul-20 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 GRIFFON PARTNERS OPERATION CORP.
900, 140 FOURTH AVENUE S.W.
CALGARY, AB T2P 3N3

Current

Secured Party / Parties

Block

Status

1 TAMARACK VALLEY ENERGY LTD.
3300, 308 - 4TH AVENUE S.W.
CALGARY, AB T2P 0H7
Email: land@tamarackvalley.ca

Current

Collateral: General

Block

Description

Status

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

Current

Search ID #: Z16552108

Business Debtor Search For:

GRIFFON PARTNERS OPERATION CORP.

Search ID #: Z16552108

Date of Search: 2023-Sep-11

Time of Search: 15:11:51

Registration Number: 22072008704

Registration Type: LAND CHARGE

Registration Date: 2022-Jul-20

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 GRIFFON PARTNERS OPERATION CORP.
900, 140 FOURTH AVENUE S.W.
CALGARY, AB T2P 3N3

Secured Party / Parties

Block

Status

Current

1 TAMARACK VALLEY ENERGY LTD.
3300, 308 - 4TH AVENUE S.W.
CALGARY, AB T2P 0H7
Email: land@tamarackvalley.ca

Result Complete

Search ID #: Z16552224

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029

Phone #: 403 592 7120

Reference #: 1247318-2381

Search ID #: Z16552224

Date of Search: 2023-Sep-11

Time of Search: 15:27:52

Business Debtor Search For:

STELLION LIMITED

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16552224

Business Debtor Search For:

STELLION LIMITED

Search ID #: Z16552224

Date of Search: 2023-Sep-11

Time of Search: 15:27:52

Registration Number: 22071936152

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-19

Registration Status: Current

Expiry Date: 2032-Jul-19 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 STELLION LIMITED
17 MEGALOU ALEXANDROU STREET
NICOSIA, XX

Secured Party / Parties

Block

Status

Current

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Search ID #: Z16552224

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>1. All present and after acquired goods, money, intangibles, investment property, chattel paper, instruments and documents of title comprised of:</p> <p>(a) all Securities in the capital of Griffon Partners Capital Management Ltd. now owned or hereafter acquired by the Debtor, all security certificates and other instruments representing such Securities and all rights and claims of the Debtor in such Securities;</p> <p>(b) all substitutions and replacements of, increases and additions to the property described in paragraph (a) above, including any consolidation, subdivision, reclassification or stock dividend; and</p> <p>(c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in paragraphs (a) and (b) above, including the proceeds of such proceeds.</p> <p>Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.</p> <p>2. "Security" means a security (as defined in the Securities Transfer Act (Alberta)) and all other shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, a person's capital, including any interest in a partnership, limited partnership or other similar person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing and "Securities" has the corresponding meaning in pluralized form.</p>	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	<p>The complete address for Debtor #1 is:</p> <p>Stellion Limited 17 Megalou Alexandrou Street 2121 Aglantzia Nicosia Cyprus</p>	Current

Result Complete

Search ID #: Z16552262

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029

Phone #: 403 592 7120

Reference #: 1247318-2381

Search ID #: Z16552262

Date of Search: 2023-Sep-11

Time of Search: 15:34:50

Business Debtor Search For:

2437799 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16552262

Business Debtor Search For:

2437799 ALBERTA LTD.

Search ID #: Z16552262

Date of Search: 2023-Sep-11

Time of Search: 15:34:50

Registration Number: 22071936437

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-19

Registration Status: Current

Expiry Date: 2032-Jul-19 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 2437799 ALBERTA LTD.
10735 WILLOWFERN DR. S.E.
CALGARY, AB T2J LR3

Secured Party / Parties

Block

Status

Current

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Search ID #: Z16552262

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>1. All present and after acquired goods, money, intangibles, investment property, chattel paper, instruments and documents of title comprised of:</p> <p>(a) all Securities in the capital of Griffon Partners Capital Management Ltd. now owned or hereafter acquired by the Debtor, all security certificates and other instruments representing such Securities and all rights and claims of the Debtor in such Securities;</p> <p>(b) all substitutions and replacements of, increases and additions to the property described in paragraph (a) above, including any consolidation, subdivision, reclassification or stock dividend; and</p> <p>(c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in paragraphs (a) and (b) above, including the proceeds of such proceeds.</p> <p>Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.</p> <p>2. "Security" means a security (as defined in the Securities Transfer Act (Alberta)) and all other shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, a person's capital, including any interest in a partnership, limited partnership or other similar person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing and "Securities" has the corresponding meaning in pluralized form.</p>	Current

Result Complete

Search ID #: Z16552232

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029

Phone #: 403 592 7120

Reference #: 1247318-2381

Search ID #: Z16552232

Date of Search: 2023-Sep-11

Time of Search: 15:29:27

Business Debtor Search For:

2437801 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16552232

Business Debtor Search For:

2437801 ALBERTA LTD.

Search ID #: Z16552232

Date of Search: 2023-Sep-11

Time of Search: 15:29:27

Registration Number: 22071936344

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-19

Registration Status: Current

Expiry Date: 2032-Jul-19 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 2437801 ALBERTA LTD.
305 - 605 7 AVENUE N.E.
CALGARY, AB T2E 0N4

Secured Party / Parties

Block

Status

Current

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Search ID #: Z16552232

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>1. All present and after acquired goods, money, intangibles, investment property, chattel paper, instruments and documents of title comprised of:</p> <p>(a) all Securities in the capital of Griffon Partners Capital Management Ltd. now owned or hereafter acquired by the Debtor, all security certificates and other instruments representing such Securities and all rights and claims of the Debtor in such Securities;</p> <p>(b) all substitutions and replacements of, increases and additions to the property described in paragraph (a) above, including any consolidation, subdivision, reclassification or stock dividend; and</p> <p>(c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in paragraphs (a) and (b) above, including the proceeds of such proceeds.</p> <p>Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.</p> <p>2. "Security" means a security (as defined in the Securities Transfer Act (Alberta)) and all other shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, a person's capital, including any interest in a partnership, limited partnership or other similar person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing and "Securities" has the corresponding meaning in pluralized form.</p>	Current

Result Complete

Search ID #: Z16552271

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029

Phone #: 403 592 7120

Reference #: 1247318-2381

Search ID #: Z16552271

Date of Search: 2023-Sep-11

Time of Search: 15:36:18

Business Debtor Search For:

2437815 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16552271

Business Debtor Search For:

2437815 ALBERTA LTD.

Search ID #: Z16552271

Date of Search: 2023-Sep-11

Time of Search: 15:36:18

Registration Number: 22071936491

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-19

Registration Status: Current

Expiry Date: 2032-Jul-19 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 2437815 ALBERTA LTD.
203 - 600 PRINCETON WAY S.W.
CALGARY, AB T2P 5N4

Secured Party / Parties

Block

Status

Current

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Search ID #: Z16552271

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>1. All present and after acquired goods, money, intangibles, investment property, chattel paper, instruments and documents of title comprised of:</p> <p>(a) all Securities in the capital of Griffon Partners Capital Management Ltd. now owned or hereafter acquired by the Debtor, all security certificates and other instruments representing such Securities and all rights and claims of the Debtor in such Securities;</p> <p>(b) all substitutions and replacements of, increases and additions to the property described in paragraph (a) above, including any consolidation, subdivision, reclassification or stock dividend; and</p> <p>(c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in paragraphs (a) and (b) above, including the proceeds of such proceeds.</p> <p>Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.</p> <p>2. "Security" means a security (as defined in the Securities Transfer Act (Alberta)) and all other shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, a person's capital, including any interest in a partnership, limited partnership or other similar person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing and "Securities" has the corresponding meaning in pluralized form.</p>	Current

Result Complete

Search ID #: Z16552284

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029

Phone #: 403 592 7120

Reference #: 1247318-2381

Search ID #: Z16552284

Date of Search: 2023-Sep-11

Time of Search: 15:37:38

Business Debtor Search For:

SPICELO LIMITED

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16552284

Business Debtor Search For:

SPICELO LIMITED

Search ID #: Z16552284

Date of Search: 2023-Sep-11

Time of Search: 15:37:38

Registration Number: 22071936257

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-19

Registration Status: Current

Expiry Date: 2032-Jul-19 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 SPICELO LIMITED
17 MEGALOU ALEXANDROU STREET
NICOSIA, XX

Secured Party / Parties

Block

Status

Current

1 GLAS AMERICAS LLC, AS COLLATERAL AGENT
3 SECOND STREET, SUITE 206
JERSEY CITY, NJ 07311
Email: ClientServices.Americas@glas.agency

Search ID #: Z16552284

Collateral: General

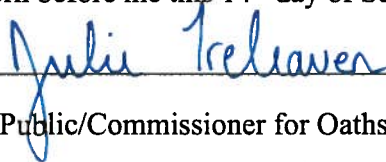
<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>1. All present and after acquired goods, money, intangibles, investment property, chattel paper, instruments and documents of title comprised of:</p> <p>(a) all Securities in the capital of Greenfire Resources Inc. now owned by the Debtor, all security certificates and other instruments representing such Securities and all rights and claims of the Debtor in such Securities;</p> <p>(b) all present and after-acquired rights of the Debtor in the cash collateral account pledged to the Secured Party and all money, intangibles, investment property, chattel paper and instruments received at any time and from time to time for deposit into such cash collateral account or deposited in such cash collateral account;</p> <p>(c) all substitutions and replacements of, increases and additions to the property described in paragraphs (a) and (b) above, including any consolidation, subdivision, reclassification or stock dividend; and</p> <p>(d) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in paragraphs (a), (b) and (c) above, including the proceeds of such proceeds.</p> <p>Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.</p> <p>2. "Security" means a security (as defined in the Securities Transfer Act (Alberta)) and all other shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, a person's capital, including any interest in a partnership, limited partnership or other similar person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing and "Securities" has the corresponding meaning in pluralized form.</p>	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	<p>The complete address for Debtor #1 is:</p> <p>Spicelo Limited 17 Megalou Alexandrou Street 2121 Aglantzia Nicosia Cyprus</p>	Current

Result Complete

This is **Exhibit "H"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.

A handwritten signature in blue ink, reading "Julie Treleven", is written over a horizontal line.

Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

GRIFFON PARTNERS OPERATION CORP.

as Borrower

and

**GRIFFON PARTNERS CAPITAL MANAGEMENT LTD. AND
GRIFFON PARTNERS HOLDING CORP.**

as Guarantors

and

**TRAFIGURA CANADA LIMITED, SIGNAL ALPHA C4 LIMITED AND
THOSE OTHER PERSONS WHICH
HEREAFTER BECOME LENDERS
UNDER THIS AGREEMENT**

as Lenders

and

GLAS USA LLC

as Administrative Agent

and

GLAS AMERICAS LLC

as Collateral Agent

LOAN AGREEMENT

July 21, 2022

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION

Section 1.1	Defined Terms.....	1
Section 1.2	Gender and Number.....	24
Section 1.3	Headings, etc.....	24
Section 1.4	Currency.....	24
Section 1.5	Certain Phrases, etc.....	24
Section 1.6	Non-Business Days.....	24
Section 1.7	Accounting Terms.....	25
Section 1.8	Incorporation of Schedules and Exhibits.....	26
Section 1.9	Severability.....	26
Section 1.10	Enurement.....	26
Section 1.11	Time of the Essence.....	26
Section 1.12	Conflict.....	26
Section 1.13	Permitted Liens.....	26
Section 1.14	References to Agreements.....	26
Section 1.15	Statutes.....	26

ARTICLE 2 CREDIT FACILITY

Section 2.1	Credit Facility.....	27
Section 2.2	Non-Revolver Commitment.....	27
Section 2.3	Use of Proceeds.....	27
Section 2.4	Procedure for Advance.....	27
Section 2.5	Repayments.....	27
Section 2.6	Interest.....	29
Section 2.7	Payments under this Agreement.....	30
Section 2.8	Optional Prepayments.....	30
Section 2.9	Fees.....	30
Section 2.10	Application of Payments and Prepayments and Payment of MOIC Amount.....	31
Section 2.11	Computations of Interest and Fees.....	31

ARTICLE 3 SECURITY

Section 3.1	Security.....	32
Section 3.2	Exclusivity of Remedies.....	33
Section 3.3	Form of Security.....	33
Section 3.4	After-Acquired Property.....	34
Section 3.5	Undertaking to Grant Fixed Charge Security.....	34
Section 3.6	Further Assurances re: Security.....	34
Section 3.7	Swap Obligations and Sharing of Certain Security.....	35
Section 3.8	Discharge of Security.....	35

ARTICLE 4 CONDITIONS PRECEDENT

Section 4.1	Conditions Precedent to the Advance.....	35
Section 4.2	Deemed Representation and Warranty.....	38
Section 4.3	No Waiver.....	38

**ARTICLE 5
REPRESENTATIONS AND WARRANTIES**

Section 5.1	Representations and Warranties.....	38
Section 5.2	Survival of Representations and Warranties.....	46

**ARTICLE 6
COVENANTS**

Section 6.1	Affirmative Covenants.....	46
Section 6.2	Negative Covenants.....	54
Section 6.3	Financial Covenants.....	57

**ARTICLE 7
OTHER COVENANTS**

Section 7.1	Taxes.....	58
Section 7.2	Sanctions.....	59

**ARTICLE 8
EVENTS OF DEFAULT**

Section 8.1	Events of Default.....	60
Section 8.2	Acceleration.....	62
Section 8.3	Waivers.....	63
Section 8.4	Remedies upon Default.....	63
Section 8.5	Power of Attorney.....	63
Section 8.6	Right of Set-off.....	64
Section 8.7	Application of Cash Proceeds of Realization.....	64
Section 8.8	Adjustments Among Lenders.....	65

**ARTICLE 9
ADMINISTRATION OF THE CREDIT FACILITY**

Section 9.1	Authorization and Action.....	66
Section 9.2	Procedure for Advance.....	70
Section 9.3	Remittance of Payments.....	70
Section 9.4	Redistribution of Payment.....	70
Section 9.5	Duties and Obligations.....	71
Section 9.6	Prompt Notice to the Lenders.....	72
Section 9.7	Agent and Agent Authority.....	72
Section 9.8	Lenders' Credit Decisions.....	72
Section 9.9	Indemnification.....	73
Section 9.10	Successor Agent.....	73
Section 9.11	Taking and Enforcement of Remedies.....	74
Section 9.12	Reliance Upon Agent.....	75
Section 9.13	Agent May Perform Covenants.....	75
Section 9.14	No Liability of Agent.....	75
Section 9.15	Nature of Obligations under this Agreement.....	76
Section 9.16	Lender Consent.....	76
Section 9.17	Specific Collateral Agency Provisions.....	76

**ARTICLE 10
MISCELLANEOUS**

Section 10.1	Amendments.....	77
Section 10.2	Waiver.....	77

Section 10.3	Notices; Effectiveness; Electronic Communication.	78
Section 10.4	Expenses; Indemnity; Damage Waiver.	80
Section 10.5	Successors and Assigns.	81
Section 10.6	Judgment Currency.	82
Section 10.7	Governing Law; Jurisdiction; Etc.	82
Section 10.8	Waiver of Jury Trial.	83
Section 10.9	No Partnership, etc.	83
Section 10.10	Counterparts.	83
Section 10.11	Electronic Execution.	83
Section 10.12	Waiver of Law.	83
Section 10.13	Entire Agreement.	83
Section 10.14	Treatment of Certain Information; Confidentiality.	83
Section 10.15	Changes in LMR.	84
Section 10.16	Acknowledgment Regarding Any Supported QFCs.	84
Section 10.17	No Fiduciary Duty.	85

SCHEDULES AND EXHIBITS

Schedule A	(Leased Properties)
Schedule B	(Owned Properties)
Schedule C	(Permitted Liens)
Schedule 2.5	(Amortization Schedule)
Schedule 5.1(a)	(Jurisdictions of Incorporation)
Schedule 5.1(p)	(Environmental Laws)
Schedule 5.1(s)	(Material Agreements)
Schedule 5.1(w)	(Corporate Structure)
Exhibit 1	(Form of Compliance Certificate)
Exhibit 2	(Form of Environmental Certificate)
Exhibit 3	(Form of Oil and Gas Ownership Certificate)
Exhibit 4	(Form of Notice of Advance)

LOAN AGREEMENT

Loan agreement dated as of July 21, 2022 among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and Griffon Partners Holding Corp., as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which hereafter become lenders under this Agreement, as Lenders, GLAS USA LLC, as Administrative Agent and GLAS Americas LLC, as Collateral Agent.

PREAMBLE:

- A. The Lenders wish to provide the Credit Facility to the Borrower and on the terms and conditions set forth herein.

AGREEMENT:

In consideration of the covenants and agreements between the parties hereto contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"Abandonment/Reclamation Order" means any order, directive or demand, including to post security deposits, issued by any Energy Regulator which relates to any of the producing petroleum and natural gas properties and interests or related facilities of the Borrower or any other Credit Party, including, without limitation, abandonment and reclamation liabilities associated therewith.

"Accounting Change" has the meaning specified in Section 1.7(3).

"Acquisition" means the acquisition by the Borrower of the Tamarack Assets pursuant to the terms of the Acquisition Agreement, such that following the completion of such Acquisition the Borrower will be the legal and beneficial owner of the Tamarack Assets.

"Acquisition Agreement" means the purchase and sale agreement dated June 9, 2022 entered into between GPCM, as purchaser, and Tamarack, as vendor, in respect of the purchase and sale of the Tamarack Assets, as amended by the amending agreement dated June 30, 2022 and as assigned by GPMC to the Borrower by the assignment and amendment agreement dated July 15, 2022.

"Acquisition Closing" means the completion of the Acquisition in accordance with the Acquisition Agreement.

"Acquisition Documents" means, collectively, the Acquisition Agreement and all other ancillary documents contemplated or referred to in the Acquisition Agreement.

"Administrative Agent" means GLAS USA LLC, in its capacity as administrative agent for and on behalf of the Lenders and in accordance with the provisions of this Agreement, and its successors and permitted assigns pursuant to the terms hereof.

"Advance" means the advance made by the Lenders under the Credit Facility pursuant to Article 2.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means this loan agreement as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, whether with the same or different Lenders, Administrative Agent or Collateral Agent.

"Amortization Schedule" means the schedule of payments of Outstanding Principal set forth in Schedule 2.5.

"Anti-Corruption Controls" has the meaning specified in Section 5.1(hh)(vi)(A).

"Anti-Corruption Laws" means all laws concerning or relating to bribery or public corruption, including the *Corruption of Foreign Public Officials Act* (Canada), the UK Bribery Act and the FCPA and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or orders thereunder) and, in any case, which are applicable to the Borrower, any Subsidiary, or the Administrative Agent, Collateral Agent, any Lender or Affiliate of the foregoing.

"Anti-Money Laundering/ Anti-Terrorist Financing Laws" means all laws concerning or relating to money laundering or terrorist financing, including Part II.1 of the *Criminal Code* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), regulations promulgated pursuant to the *Special Economic Measures Act* (Canada) and the *United Nations Act* (Canada), the *Bank Secrecy Act*, 31 U.S.C. sections 5301 et seq., the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, Pub. L. 107-56 (a/k/a the USA Patriot Act), *Laundering of Monetary Instruments*, 18 U.S.C. section 1956, *Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity*, 18 U.S.C. section 1957, the *Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations*, 31 C.F.R. Chapter X (Parts 1000 et. seq.) and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or orders thereunder) and, in any case, which are applicable to the Borrower, any Subsidiary, or the Administrative Agent, Collateral Agent, any Lender or Affiliate of the foregoing.

"Applicable Law" means, (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, determination, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any Authorization or other written approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the Assets of such Person, in each case whether or not having the force of law.

"Applicable LMR Jurisdiction" means with respect to the Borrower or any other Credit Party, any jurisdiction in Canada in which the Borrower or such other Credit Party directly owns P&NG Leases, P&NG Rights or other facilities or assets relevant to the determination of the LMR in such jurisdiction.

"Applicable Rate" means a rate of interest per annum equal to the Prime Rate plus 9.5% per annum.

"Asset" means, with respect to any Person, any property (including real property), assets and undertakings of such Person of every kind and wheresoever situated, whether now owned or hereafter acquired (and, for greater certainty, includes any Equity Securities or like interest of such Person in any other Person).

"Assignee" has the meaning specified in Section 10.5(2).

"Authorization" or **"Authorizations"** means any authorization, qualification, consent, approval, waiver, order, decree, demand, license, grant, franchise, right, privilege, exemption, certification, permit, registration, filing, qualification or declaration of or with any Person or Governmental Authority or the giving of notice to any Person or Governmental Authority or any other action in respect of a Person or Governmental Authority.

"Blocked Account Agreement" means a blocked account agreement among the Borrower, the Lenders and the relevant depository bank with respect to the Collection Account, in form and substance satisfactory to the Lenders, which shall provide the Collateral Agent with sole control of the Borrower's account containing any proceeds of the Borrower's Collateral following the delivery of an activation notice pursuant to such agreement, as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time.

"Borrower" means Griffon Partners Operation Corp., a corporation incorporated under the laws of Alberta, and its successors and permitted assigns pursuant to the terms hereof.

"Business" means the business carried on by the Borrower which comprises the development, production and/or acquisition of P&NG Rights and Petroleum Substances.

"Business Day" means any day, other than a Saturday or Sunday, on which banks are open for domestic and foreign exchange business in Calgary, Alberta and New York, New York.

"Capital Lease" means any lease which has been or should be capitalized on the books of the Borrower in accordance with GAAP.

"Cash Proceeds of Realization" means the aggregate of (a) all Proceeds of Realization in the form of cash, and (b) all cash proceeds of the sale or Disposition of non-cash Proceeds of Realization.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any Applicable Law by any Governmental Authority.

"Change of Control" means (a) the occurrence of any transaction or event as a result of which a Person other than the GPCM Shareholder Guarantors owns (legally or beneficially) any Equity Securities in the capital of GPCM, (b) the occurrence of any transaction or event as a result of which a Person other than GPCM or a Lender owns (legally or beneficially) any Equity Securities in the capital of GPHC, (c) the occurrence of any transaction or event as a result of which a Person other than GPHC owns (legally or beneficially) any Equity Securities in the capital of the Borrower, or (d) the direct or indirect Disposition of all or substantially all of the Assets of a Credit Party to any Person or group of Persons (other than another Credit Party).

"Closing Date" means the date of satisfaction or waiver of all conditions set out in Section 4.1 and the making available of the Credit Facility hereunder, or such other date as agreed by the Borrower and the Lenders.

"COGE Handbook" means the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society) as amended or superseded from time to time.

"Collateral" means any and all Assets of any Credit Party in respect of which the Collateral Agent, for the benefit of the Secured Parties, has or is intended to have a Lien pursuant to a Security Document.

"Collateral Agent" means GLAS Americas LLC, in its capacity as collateral agent for and on behalf of the Lenders and in accordance with the provisions of this Agreement, and its successors and permitted assigns pursuant to the terms hereof.

"Collection Account" means the bank account of the Borrower that is (or will be) subject to the Blocked Account Agreement, which account is maintained at Royal Bank of Canada and has account number 1041540.

"Commercial Agreement" means the marketing agreement entered into between the Borrower and Trafigura or an Affiliate thereof whereby Trafigura or an Affiliate thereof shall purchase and market one hundred percent (100%) of the Borrower's existing and future production of Petroleum Substances in accordance with the provisions thereof.

"Commitment" means the principal amount of U.S. \$35,869,565.21.

"Compliance Certificate" means a certificate of the Borrower substantially in the form of Exhibit 1 signed on its behalf by any senior financial officer of the Borrower, acceptable to the Lenders and provided to the Administrative Agent.

"Contaminant" means any waste, pollutant, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, asbestos in any form or condition, PCBs, or any hazardous or toxic constituent of any such substance or waste, in each case, which is listed or regulated under any Environmental Law.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **"Controlling"** and **"Controlled"** have corresponding meanings.

"Credit Documents" means this Agreement, the Security Documents, the Intercreditor Agreement (Borrower), the Intercreditor Agreement (Swap Counterparty) and all other documents executed and delivered to the Administrative Agent or the Collateral Agent, in each case for the benefit of the Lenders or the Secured Parties, as applicable, by the Credit Parties from time to time in connection with this Agreement or any other Credit Document (including, without limitation, any Blocked Account Agreement).

"Credit Facility" means the non-revolving, single advance, term loan facility in the maximum principal amount of the Commitment to be made available hereunder to the Borrower by the Lenders in accordance with the provisions hereof.

"Credit Parties" means, collectively, the Borrower, GPCM, GPHC, the GPCM Shareholder Guarantors and Spicelo Limited, and **"Credit Party"** means any one of them.

"Current Assets" means, at any time, all current Assets of the Borrower, determined on a consolidated basis as of such time in accordance with GAAP, excluding any deferred tax Assets and any hedges under Swap Agreements (to the extent reflected as an Asset on the balance sheet of the Borrower).

"Current Liabilities" means, at any time, all current liabilities of the Borrower, determined on a consolidated basis as of such time in accordance with GAAP, excluding the current Obligations of the Credit Facility.

“Current Ratio” means the ratio of Current Assets to Current Liabilities.

“Debt” of any Person means all indebtedness and obligations in respect of amounts borrowed which, in accordance with GAAP, on a consolidated basis, would be recorded in such Person’s consolidated financial statements (including the notes thereto), and in any event including, without duplication:

- (a) all indebtedness of such Person for borrowed money, including bankers’ acceptances or letters of guarantee;
- (b) the stated amount of letters of credit supporting obligations which would otherwise constitute Debt within the meaning of this definition or any other letters of credit if drawn and not reimbursed;
- (c) all indebtedness of such Person for the deferred purchase price of property or services, other than for property and services purchased in the ordinary course of business and paid for in accordance with customary practice and not represented by a note, bond, debenture or other evidence of Debt;
- (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Assets);
- (e) all obligations of such Person represented by a note, bond, debenture or other evidence of Debt;
- (f) all obligations under purchase money security interests, Capital Leases (other than in respect of office space or operating leases, in each case entered into in the ordinary course of business) and all obligations under synthetic leases, in each case, in respect of which such Person is liable as lessee;
- (g) sale-leaseback payment obligations;
- (h) any off-balance sheet transactions, arrangements or other obligations;
- (i) all obligations to purchase, redeem, retire or otherwise acquire for value (other than for other Equity Securities) any Equity Securities in the capital of the Person which, by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable), or upon the happening of any event (i) mature or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) are redeemable for cash or debt at the sole option of the holder, or (iii) provide for scheduled payments of dividends in cash, in each case, on or prior to the Maturity Date;
- (j) the net amount of all obligations of such Person (determined on a mark-to-market basis) under Swap Agreements which are due and owing by such Person;
- (k) all obligations to deliver commodities, goods or services, including, without limitation, Petroleum Substances, in consideration of one or more advance payments for periods in excess of 120 days prior to the date of delivery, other than in the ordinary course of business; and
- (l) all Debt of another entity of a type described in clauses (a) through (g) which is directly or indirectly guaranteed by such Person, which is secured by a Lien on any Assets of such Person, which such Person has agreed (contingently or otherwise) to purchase or

otherwise acquire, or in respect of which such Person has otherwise assured a creditor or other entity against loss,

but shall exclude each of the following, determined (as required) in accordance with GAAP:

- (m) the unrealized amount of all obligations of such Person (determined on a mark-to-market basis) under Swap Agreements which are not yet due and owing by such Person;
- (n) trade payables and accrued liabilities in the ordinary course of business;
- (o) current taxes payable and deferred taxes; and
- (p) accrued interest payable.

The Debt of any Person shall include the Debt of any other entity (including a partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or relationship with such entity, except (other than in the case of general partner liability) to the extent that the terms of such Debt expressly provide that such Person is not liable therefor.

"Decommissioning Budget" means the budget delivered by the Borrower to the Administrative Agent, for the benefit of the Lenders, pursuant to Section 6.1(b)(x).

"Default" means an event which, with the giving of notice or passage of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

"Default Rate" means two percent (2%) per annum.

"Disposition" means any sale, assignment, transfer, conveyance, lease, license, granting of an option, demolition, abandonment or other disposition (or agreement to dispose) of any nature or kind whatsoever of any property or of any right, title or interest in or to any property, and the verb **"Dispose"** has a correlative meaning.

"Distribution" means, with respect to any Person, any payment (whether by cash, property or both) by such Person (a) of any dividend or other distribution on issued Equity Securities of such Person or any of its Subsidiaries, (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement, retraction or other acquisition of any issued Equity Securities of such Person or any of its Subsidiaries, (c) of any amount, whether as consulting fees, management fees, service fees or otherwise to (i) any Affiliate of such Person, (ii) any Person that directly or indirectly owns or controls Equity Securities of such Person, (iii) any Affiliate of a Person described in clause (ii), (iv) any Person that is an officer or director of such Person or of any Affiliate of such Person or of any Person described in clause (ii) or clause (iii), or (v) any immediate family member of any of the foregoing (the Persons referred to in subparagraphs (i) through (v) inclusive of paragraph (b) of this definition are referred to in this definition of Distribution as the **"Restricted Parties"** and each a **"Restricted Party"**), (d) of principal or other amounts in respect of Debt owed to Restricted Parties, or (e) any payments outside of the ordinary course of business. A Distribution also includes any transfer by a Person of such Person's Assets for consideration less than Fair Market Value to any Restricted Party. For the avoidance of doubt, and without limiting the foregoing, GPCM, GPHC, the GPCM Shareholder Guarantors and their respective Subsidiaries are each a Restricted Party.

"EBITDAX" means, for any fiscal period and as determined in accordance with GAAP (on a consolidated basis) in respect of the Borrower:

- (a) all Net Income for such period; plus
- (b) Interest Expense to the extent deducted in determining such Net Income; plus
- (c) all amounts deducted in the calculation of such Net Income in respect of the provision for income taxes; plus
- (d) all amounts deducted in the calculation of such Net Income in respect of non-cash items, including depreciation, depletion, amortization (including amortization of goodwill and other intangibles), accretion, deferred income taxes, foreign currency obligations, non-cash losses resulting from marking-to-market any outstanding hedging and financial instrument obligations, non-cash compensation expenses, provisions for impairment of oil and gas assets and any other non-cash expenses for such period; plus
- (e) exploration expenses; and
- (f) losses attributable to extraordinary and non-recurring losses, in each case to the extent deducted in the calculation of such Net Income;

less (on a consolidated basis), without duplication:

- (g) earnings attributable to extraordinary and non-recurring earnings and gains, in each case to the extent included in the calculation of such Net Income (including interest income);
- (h) to the extent included in the calculation of such Net Income, gains from asset sales;
- (i) all cash payments during such period relating to non-cash charges which were added back in determining EBITDA in any prior period; and
- (j) to the extent included in such Net Income, any other non-cash items increasing such Net Income for such period, including non-cash gains resulting from marking-to-market any outstanding hedging and financial instrument obligations for such period.

“Energy Regulator” means (a) with respect to the Province of Alberta, the Alberta Energy Regulator, (b) with respect to the Province of British Columbia, the BC Oil and Gas Commission, (c) with respect to the Province of Saskatchewan, the Saskatchewan Ministry of Energy and Resources, and (d) with respect to any other Applicable LMR Jurisdiction, the regulatory body with responsibility for regulating the development of, including the oversight of environmental matters in, the oil and gas industry in such jurisdiction; and in each case, together with any successor or replacement agency, department, ministry or commission thereto.

“Engineering Report” means a report (in form and substance satisfactory to the Lenders, acting reasonably) prepared by the Independent Engineer respecting the reserves of Petroleum Substances attributable to the assets and undertakings of the Borrower, which report shall, as of the effective date of such report, set forth, *inter alia*, (a) the proved, developed producing reserves of Petroleum Substances, (b) proved, developed nonproducing reserves of Petroleum Substances, (c) proved and undeveloped reserves of Petroleum Substances, and (d) the probable reserves of Petroleum Substances, in each case, attributable to the assets and undertakings of the Borrower and, for each 12 month period starting on the date of such report: anticipated rates of production, depletion and reinjection of Petroleum Substances; Crown, freehold and overriding royalties and freehold mineral taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; production, revenue, value-added, wellhead or severance Taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; operating costs; gathering, transporting, processing, marketing and storage fees payable with respect to Petroleum Substances produced

from or attributable to such assets and undertakings; capital expenditures expected to be necessary to achieve anticipated rates of production; and net cash flow with respect to such assets and undertakings, including all revenues, expenses and expenditures described above.

“Environment” means all components of the earth, including all layers of the atmosphere, air, land (including all underground spaces and cavities and all lands submerged under water), soil, water (including surface and underground water), organic and inorganic matter and living organisms, and the interacting natural systems that include the components referred to in this definition.

“Environmental Certificate” means a certificate substantially in the form of Exhibit 2.

“Environmental Laws” means, in respect of a Person, all Applicable Law and agreements between such Person and a Governmental Authority relating to pollution, public health, the protection or enhancement of the Environment, the release of Contaminants, air emissions and discharges to waster or public systems, materials and occupational health and safety.

“Environmental Liabilities” means all liabilities imposed by, under or pursuant to Environmental Laws or which relate to the existence of Contaminants on, under or about the Subject Properties.

“Equity Securities” means, with respect to any Person, any and all securities (as defined in the STA), shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person’s capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

“Equivalent Amount” means, on any day with respect to any two currencies, the amount obtained in one such currency (the **“first currency”**) when an amount in the other currency is converted into the first currency using the Royal Bank of Canada’s spot rate for the conversion of the applicable amount of the other currency into the first currency in effect as of 10:00 a.m. (Calgary time) on such day, if such day is a Business Day or, if such day is not a Business Day, then on the immediately preceding Business Day, or, in the absence of such spot rate on such day, using such other rate as the Lenders may reasonably select.

“Event of Default” has the meaning specified in Section 8.1.

“Excess Cash Flow” means, in respect of a Financial Quarter, the difference between:

- (a) the aggregate of all cash revenue of any kind received by the Borrower (on a consolidated basis) during such period, including from:
 - (i) the operation of its business; and
 - (ii) proceeds from any Swap Agreements; and
 - (iii) business interruption insurance, penalties and liquidated damages that, in each case, compensate for lost income; and
 - (iv) the sale of any Assets, any insurance proceeds and any proceeds from the issuance of any Equity Securities or incurrence of any Debt (but, for certainty, not the amount of the Advance hereunder); and
 - (v) any interest earned on any accounts,

provided, however, that the foregoing calculation of revenue received by the Borrower shall exclude any amounts received by the Borrower which are required to be paid to the Lenders (and which are paid to the Lenders) pursuant to Section 2.5(4),

less,

(b) the sum (without duplication) of the following:

- (i) all cash costs and expenses incurred on a consolidated basis by the Borrower during such period in respect of its operations as (without duplication) maintenance and operating costs, capital expenditures, costs of consumables, insurance costs, general and administrative expenses, royalties, and taxes, in each case as determined by the Borrower and approved in writing by the Lenders, acting reasonably (excluding, for certainty, any payments permitted to be made or otherwise made in respect of the Tamarack Obligations); and
- (ii) the amount of the Obligations paid on scheduled due date pursuant to Section 2.5(2) during such Financial Quarter; and
- (iii) the amount, on a dollar-for-dollar basis, of any voluntary prepayments of the Obligations made pursuant to Section 2.8 during such Financial Quarter; and
- (iv) the amount of the upfront fees paid to the Lenders pursuant to Section 2.9(2); and
- (v) the amount of cash required to be retained by the Borrower in order to satisfy the covenant set forth in Section 6.3(d); and
- (vi) any cash shortfall projected to occur in the following Financial Quarter based upon the Borrower's current operating budget (but not, for certainty, having regard to the payment of any portion of the Tamarack Obligations), as approved in writing by all of the Lenders,

in each case as all of the foregoing is determined by the Borrower and approved in writing by the Lenders, acting reasonably.

"Excluded Taxes" means, with respect to any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on or measured by its net income and capital, and franchise taxes imposed on it (in lieu of net income and capital taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any of the Lenders, in which its applicable lending office is located, (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which such Lender is located and (c) in the case of any of the Foreign Lenders, any withholding tax that is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 7.1(5).

"Fair Market Value" means, with respect to any asset or property, the price which could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code of 1986 as of the date of the Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official

interpretations thereof and, for the avoidance of doubt, any intergovernmental agreements and any “foreign financial institution” agreements entered into to implement the foregoing.

“Federal Reserve Board” means the Board of Governors of the United States Federal Reserve System, or any successor thereto.

“Financial Assistance” means with respect of any Person and without duplication, any loan, Guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other Person or any obligation (contingent or otherwise) primarily for the purpose of enabling another Person to incur or pay any Debt or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other Person against loss in respect of Debt of the other Person and includes any Guarantee of or indemnity in respect of the Debt of the other Person and any absolute or contingent obligation to (directly or indirectly):

- (a) advance or supply funds for the payment or purchase of any Debt of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Debt or to assure the holder thereof against loss;
- (c) Guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other Person from or against any losses, liabilities or damages in respect of Debt;
- (d) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof to a Person;
- (e) make an advance, loan or other extension of credit to or to make any subscription for Equity Securities, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another Person;
- (f) to maintain working capital, equity capital solvency, or any other balance sheet, income statement or other financial statement condition or liquidity of the primary credit party so as to enable the primary credit party to pay such Debt or other obligation;
- (g) to be an account party in respect of any letter of credit or letter of guarantee issued to support such Debt or other obligation; or
- (h) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise).

The amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, or all Debt of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is the determinable amount.

“Financial Calculation” has the meaning specified in Section 1.7(4).

“Financial Quarter” means a period of three consecutive calendar months in each Financial Year ending on March 31, June 30, September 30 and December 31 such year.

“Financial Year” means, in relation to the Borrower, its financial year commencing on January 1 of each calendar year and ending on December 31 of such year.

"Foreign Lender" means, in respect of a particular Credit Party, a Lender that is not organized under the laws of the jurisdiction in which such Credit Party is resident for tax purposes by application of the laws of that jurisdiction and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Credit Document to be resident for income tax or withholding tax purposes in the jurisdiction in which such Credit Party is resident for tax purposes by application of the laws of that jurisdiction. For the purposes of this definition, Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Funded Loan Amount" means the amount equal to: (a) the Outstanding Principal of all Advances made by the Lenders under this Agreement since the Closing Date; less (b) the OID.

"GAAP" means, at any time, accounting principles generally accepted in Canada as recommended in the *CPA Canada Handbook - Accounting* at the relevant time applied on a consistent basis.

"Governmental Authority" means the government of Canada or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supranational bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

"GPHC" means Griffon Partners Holding Corp., a corporation incorporated under the laws of Alberta, and its successors and permitted assigns

"GPCM" means Griffon Partners Capital Management Ltd., a corporation incorporated under the laws of Alberta, and its successors and permitted assigns.

"GPCM Shareholder Guarantors" means 2437801 Alberta Ltd., 2437799 Alberta Ltd., 2437815 Alberta Ltd. and Stellion Limited and their respective successors and permitted assigns, and **"GPCM Shareholder Guarantor"** means any one of them.

"Greenfire Pledge" has the meaning specified in Section 3.1(d).

"Greenfire Shares" has the meaning specified in Section 3.1(d).

"Guarantee" of or by any Person (in this definition, the **"guarantor"**) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (in this definition, the **"primary credit party"**) in any manner, whether directly or indirectly. The term "Guarantee" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee in respect of Debt shall be deemed to be an amount equal to the stated or determinable amount of the related Debt (unless the Guarantee is limited by its terms to a lesser amount, in which case to the extent of such amount) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guarantor in good faith.

"Hydrocarbon Interests" means all rights, options, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

"Indemnified Taxes" means (a) Taxes other than Excluded Taxes, and, (b) to the extent not described in (a), Other Taxes.

"Independent Engineer" means such firm or firms of independent engineers as may be selected from time to time by the Borrower and approved by the Administrative Agent, acting reasonably.

"Individual Commitment Amount" means, from time to time, in respect of a Lender, that portion of the Commitment which such Lender has severally agreed to make available to the Borrower in accordance with the terms and conditions of this Agreement, subject to adjustment pursuant to the terms of this Agreement. As of the Closing Date, the Individual Commitment Amount of Signal Alpha C4 Limited is U.S. \$25,000,000.00 and the Individual Commitment Amount of Trafigura Canada Limited is \$10,869,565.21.

"Information" has the meaning specified in Section 10.14(2).

"Intercreditor Agreement (Borrower)" means the intercreditor agreement entered into as of the date hereof among the Borrower, Tamarack, the Administrative Agent, the Collateral Agent and the Swap Counterparty, as amended, modified, replaced, restated or supplemented from time to time.

"Intercreditor Agreement (Swap Counterparty)" means the collateral agency and intercreditor agreement entered into as of the date hereof among the Borrower, GPHC, the Administrative Agent, the Collateral Agent and the Swap Counterparty, as amended, modified, replaced, restated or supplemented from time to time.

"Intercreditor Agreements" means, collectively, the Intercreditor Agreement (Borrower) and the Intercreditor Agreement (Swap Counterparty).

"Interest Expense" means, for any fiscal period, without duplication, interest expense of the Borrower determined on a consolidated basis in accordance with GAAP, as the same would be set forth or reflected in a consolidated statement of operations of the Borrower and, in any event and without limitation, shall include:

- (a) all interest accrued or payable in respect of such period, including capitalized interest and imputed interest with respect to lease obligations included as Debt;
- (b) all fees (including standby and commitment fees, acceptance fees in respect of bankers' acceptances and fees payable in respect of letters of credit, letters of guarantee and similar instruments) accrued or payable in respect of such period, prorated (as required) over such period;
- (c) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations issued at a discount, prorated (as required) over such period;
- (d) the aggregate of all purchase discounts relating to the sale of accounts receivable in connection with any asset securitization program; and
- (e) all net amounts charged or credited to interest expense under any interest rate Swap Agreement in respect of such period.

"Investment" in any Person means (a) any advances, loans or other extensions of credit, Guarantees, indemnities or other contingent liabilities in the nature of a Guarantee or indemnity or capital contributions (other than prepaid expenses in the ordinary course of business) to such Person (by means of transfers of money or other Assets), (b) any purchase of any Equity Securities, bonds, notes, debentures or other securities of such Person, or (c) the acquisition of

all or substantially all the Assets of such Person or of a business carried on by, or a division of, such Person.

"Leased Properties" means, collectively, the real properties forming the subject matter of the Leases and more particularly described in Schedule A.

"Leases" means the leases, subleases, rights to occupy and licences of or relating to real property or Buildings and Fixtures to which the Borrower is a party.

"Lenders" means Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which hereafter become lenders under this Agreement, and their successors and permitted assigns from time to time, and **"Lender"** means any one of them.

"Lien" means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), conditional sale agreement, Capital Lease or other title retention agreement or arrangement, defect of title, adverse claim, set off arrangement (other than a set off arrangement arising in the ordinary course) or any other arrangement or condition that in substance secures payment or performance of an obligation.

"Liquidity" means the amount of unencumbered (other than in favour of the Collateral Agent) and unrestricted cash (determined in accordance with GAAP) of the Borrower on hand.

"LMR" means, with respect to the Borrower or any other Credit Party and subject to Section 10.15, for any Applicable LMR Jurisdiction, the liability management rating (or equivalent) established by the applicable Energy Regulator with respect to the abandonment and reclamation policies, regulations and directives of such Energy Regulator in such jurisdiction, in each case, as determined in accordance with Applicable Law (including the rules and regulations of such Energy Regulator in respect thereof for the then relevant period) as calculated and published publicly by such Energy Regulator, and as adjusted to remove any security, cash, letters of credit or other security deposits or credit.

"Majority Lenders" means, in all cases, the Lender or Lenders holding, in aggregate at least 66 2/3% of the Commitment.

"Material Adverse Effect" means (a) a material adverse effect on the business, operations, results of operations, prospects, Assets, liabilities or financial condition of the Credit Parties taken as a whole, (b) a material adverse effect on the ability of any of the Credit Parties to perform its obligations under any Credit Document to which it is a party, or (c) a material adverse effect on the rights and remedies of the Administrative Agent, the Collateral Agent or the Lenders under any Credit Document.

"Material Agreements" means the Commercial Agreement, the Acquisition Agreement, the other Acquisition Documents, the Permitted Swap Agreement, the Tamarack Promissory Note and the agreements listed in Schedule 5.1(s) and any agreement, contract or similar instrument to which the Borrower is a party or to which any of its Assets may be subject for which breach, non-performance, cancellation, termination or failure to renew could reasonably be expected to have a Material Adverse Effect.

"Maturity Date" means January 31, 2025.

"MOIC" has the meaning specified in the definition of **"MOIC Amount"**.

"MOIC Amount" means, on the applicable date, an amount sufficient to achieve a 1.4 multiple on each Lender's Rateable Portion of the Funded Loan Amount (**"MOIC"**). MOIC shall be calculated based upon (a) the sum of all interest, fees and Outstanding Principal, in each case, received in

cash by the Lenders in respect of the Funded Loan Amount (excluding any reimbursement of costs and expenses and any indemnification payments made to the Lenders), as the numerator, and (b) the Funded Loan Amount, as the denominator

"Net Income" means, for any fiscal period, the net income of the Borrower determined on a consolidated basis in accordance with GAAP, as set forth in the consolidated financial statements of the Borrower for such period, and for greater certainty shall exclude minority interests, less the sum of the following:

- (a) the income (or loss) of any Person (other than a Subsidiary of the Borrower) in which any other Person (other than the Borrower or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or any of its Subsidiaries by such Person during such period; plus
- (b) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries or that Person's assets are acquired by the Borrower or any of its Subsidiaries; plus
- (c) the income (or loss) of any Person accrued after to the date it ceases to be a Subsidiary of the Borrower or that Person's assets are sold by the Borrower or any of its Subsidiaries; plus
- (d) the income of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary; plus
- (e) any after tax gains or losses attributable to Asset Sales; plus
- (f) the net income (or loss) of any Person acquired in a pooling-of-interests transaction for any period prior to the date of such transaction.

"Net Proceeds" means any one or more of the following:

- (a) with respect to any sale or other Disposition of Assets by the Borrower, the net amount equal to the aggregate amount received in cash (including any cash received by way of deferred payment pursuant to a note receivable, other non-cash consideration or otherwise, and the release of any amount from an indemnity reserve, escrow or similar fund, but in each case only as and when such cash is so received) in connection with such Disposition, less the sum of (v) reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-of-pocket expenses incurred or paid for by the Borrower in connection with such Disposition (as evidenced by supporting documentation provided to the Administrative Agent upon request therefor by the Administrative Agent), (w) taxes incurred in connection with such Disposition, whenever payable, and (x) the principal amount of any Debt (other than Debt under the Credit Documents) that is secured by such Asset and that is required to be repaid in connection with such Disposition;
- (b) with respect to any issuance or creation of Debt or Equity Securities of any of the Credit Parties or of any capital contributions by any Person in the Borrower, the net amount equal to the aggregate amount received in cash in connection with such issuance, creation or capital contribution, less the sum of reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-

of-pocket expenses incurred or paid for by the Borrower in connection with the issuance, creation or capital contribution (as evidenced by supporting documentation provided to the Administrative Agent upon request therefor by the Administrative Agent); and

- (c) with respect to the receipt of proceeds by any of the Credit Parties under any insurance, the net amount equal to the aggregate amount received in cash in connection with such receipt of insurance proceeds less taxes incurred attributable to such proceeds, whenever payable.

"Notice of Advance" has the meaning specified in Section 2.4.

"NYMEX/AECO Pricing" shall mean, as of any date of determination with respect to any month (a) for crude oil, the closing settlement price for the Light, Sweet Crude Oil futures contract for each month as published by New York Mercantile Exchange (NYMEX) on its website currently located at www.nymex.com or any successor thereto (as such pricing may be corrected or revised from time to time by the NYMEX in accordance with its rules and regulations), and (b) for natural gas, the NGX AB-NIT Same Day Index (5A) in dollars per gigajoule as published in the Canadian Gas Price Reporter in the table "NGX AB-NIT Same Day Index 5A" or the replacement pricing reference which is the then recognized industry index for same day gas at such pricing point should such pricing reference cease to exist.

"Obligations" means all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Credit Parties, or any of them, to the Administrative Agent, the Collateral Agent and/or the Lenders, under, in connection with or pursuant to the Credit Documents (including, without limitation, all interest, fees, premiums, fees, expenses, penalties, reimbursements, indemnification and the MOIC Amount), and Obligations of a particular Credit Party shall mean all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by such Credit Party to the Administrative Agent, the Collateral Agent and/or the Lenders, under, in connection with or pursuant to the Credit Documents to which such Credit Party is a party. For the avoidance of doubt, it is understood and agreed that any MOIC Amount shall be presumed and deemed to be the liquidated damages sustained by each Lender as a result of the early repayment or termination of the Obligations and the Credit Parties agree that such amounts shall constitute Obligations under this Agreement.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"OID" has the meaning specified in Section 2.1(2).

"Oil and Gas Ownership Certificate" means a certificate substantially in the form of Exhibit 3.

"Oil and Gas Properties" means (a) Hydrocarbon Interests; (b) the Assets now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including without limitation all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Petroleum Substances from or attributable to such Hydrocarbon Interests; (e) all Petroleum Substances in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; (f) all tenements, hereditaments, appurtenances and Assets in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests; and (g) all Assets, rights, titles, interests and estates described or referred to above, including any and all Assets,

real or personal, now owned or hereafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Assets (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing. Unless the context otherwise requires, the term Oil and Gas Properties refers to Oil and Gas Properties of the Borrower.

"Original Currency" has the meaning specified in Section 10.6(1).

"Other Currency" has the meaning specified in Section 10.6(1).

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document, in each case, including any interest, additions to tax or penalties applicable thereto.

"Outstanding Principal" means the aggregate of the principal amount outstanding from time to time under the Credit Facility.

"Owned Properties" means, collectively, (a) the land and premises owned by the Borrower on the date of this Agreement and which are listed on Schedule B, and (b) after the date of this Agreement, the lands and premises notified to the Administrative Agent pursuant to each Compliance Certificate, but shall exclude lands and premises sold or otherwise disposed of as permitted in this Agreement as and from the date of such sale or Disposition.

"P&NG Leases" means, collectively, any and all documents of title including leases, reservations, permits, licences, unit agreements, assignments, trust declarations, participation, exploration, farm-out, farm-in, royalty, purchase or other agreements by virtue of which the Borrower is entitled to explore for, drill for, recover, take or produce Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower, or to share in the production or proceeds of production or any part thereof or proceeds of royalty, production, profits or other interests out of, referable to or payable in respect of Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower, and the rights of the Borrower thereunder.

"P&NG Rights" means all of the right, title, estate and interest, whether contingent or absolute, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Borrower at such time in and to any, or such as are stipulated, of the following, by whatever name the same are known:

- (a) rights to explore for, drill for, produce, take, save or market Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (b) rights to a share of the production of Petroleum Substances from or allocated to lands or lands with which the same have been pooled or unitized;

- (c) rights to a share of the proceeds of, or to receive payments calculated by reference to the quantity or value of, the production of Petroleum Substances from or allocated to lands or lands with which the same have been pooled or unitized;
- (d) rights in any of the lands described in paragraphs (a) through (c) of this definition or documents of title related thereto, including leases, subleases, licenses, permits, reservations, rights and privileges; and
- (e) rights to acquire any of the above rights described in paragraphs (a) through (d) of this definition,

and includes interests and rights known as working interests, royalty interests, overriding royalty interests, gross overriding interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests and other economic interests.

"PCBs" means polychlorinated biphenyls.

"PDP Coverage Ratio" means, as of any date of determination, the ratio of (a) PV10 of Proved Developed Producing Reserves owned by the Borrower to (b) the sum of (i) the Senior Debt, and (ii) without duplication of paragraph (a) above in this definition, all obligations (after giving effect to any netting requirements) under any Swap Agreement that such Person would be required to pay if the Swap Agreement were terminated at such time as of such date. Notwithstanding anything to the contrary contained herein, after giving effect to the netting contemplated by paragraph (ii) above in this definition, in no event shall amounts owing to the Borrower under any Swap Agreement result in a reduction of the obligations referred to in paragraph (b) above in this definition.

"Pension Plan" means any plan, program or arrangement which is considered to be a pension plan for the purposes of any applicable pension benefits standards, or any applicable tax, statute and/or regulation thereof established, maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Obligor, its employees or former employees, in each case whether written or oral, funded or unfunded, insured or self-insured, reported or unreported, and includes any "registered pension plan" as defined under the Tax Act and contributed to by the Borrower for its employees (including, without limitation, any such plan that contains a "defined benefit provision" as such term is defined under the Tax Act) or any "negotiated contribution plan", as such term is defined under the *Pension Benefits Standards Act* (Canada) or any similar plan registered under pension standards legislation in another jurisdiction in Canada.

"Permitted Contest" means action taken by or on behalf of a Credit Party in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Lien, provided that:

- (a) the Person to which the Tax, claim or Lien being contested is relevant (and, in the case of a Credit Party, the Borrower on a consolidated basis) has established reasonable reserves therefor if and to the extent required by GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property of the Credit Parties.

"Permitted Debt" means:

- (a) the Swap Obligations;

- (b) the Tamarack Obligations; provided, however, that the aggregate principal amount of the Tamarack Obligations does not exceed \$20,000,000.00 plus the amount of any PIK Interest (as defined in the Tamarack Promissory Note);
- (c) Debt of the Borrower to the Administrative Agent, the Collateral Agent and the Lenders under the Credit Documents; and
- (d) Debt under Capital Leases (including a sale-leaseback agreement) and under purchase money security interest financings permitted by paragraph (m) of the definition of "Permitted Liens.

"Permitted Liens" means, in respect of any Person, any one or more of the following:

- (a) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to Applicable Law against the Borrower or in respect of which no steps or proceedings to enforce such Lien have been initiated or which relate to obligations which are not due or delinquent or, if due or delinquent, any Lien which any Credit Party is contesting at the time by a Permitted Contest;
- (b) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the joint operation of P&NG Rights or related production or processing facilities as security in favour of any other Person conducting the development or operation of the property to which such Liens relate, for the Borrower's portion of the costs and expenses of such development or operation, provided such costs or expenses are not due or delinquent or if due or delinquent, any Lien which the Borrower is contesting at the time by a Permitted Contest;
- (c) to the extent a Lien is created thereby, a sale or Disposition of P&NG Rights resulting from any pooling or unitization agreement entered into in the ordinary course of business when, in the Borrower's reasonable judgment, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such properties, provided that, the Borrower's resulting pooled or unitized interest is proportional (either on an acreage or reserve basis) to the interest contributed by it and is not materially less than the Borrower's interest in such P&NG Rights prior to such pooling or unitization and its obligations in respect thereof are not greater than its proportional share based on the interest acquired by it and further provided that such pooling or unitization results from a Disposition permitted under this Agreement;
- (d) to the extent a Lien is created thereby, farm-out interests or overriding royalty interests, net profit interests, reversionary interests and carried interests in respect of the Borrower's P&NG Rights that are or were entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound industry practice and provided that such Liens are subordinated to the Security in accordance with the terms of a subordination agreement in form and substance satisfactory to the Majority Lenders;
- (e) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by the Borrower (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, do not materially detract from the value of the property and assets concerned or the use of the affected property and assets or would not reasonably be expected to have a Material Adverse Effect;

- (f) any Lien or trust arising in connection with worker's compensation, employment insurance, pension and employment Applicable Law;
- (g) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by the Borrower or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (h) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title which, either alone or in the aggregate, do not materially detract from the value of the property and assets concerned or the use of the affected property and assets;
- (i) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the P&NG Rights or related facilities of the Borrower; provided that when exercised, such rights of first refusal would relate to Assets, the Disposition of which would be permitted under this Agreement;
- (j) public and statutory Liens not yet due and similar Liens arising by operation of Applicable Law;
- (k) bankers' liens, rights of set-off and other similar Liens existing solely with respect to cash on deposit in one or more accounts maintained by the Credit Parties granted in the ordinary course of business in favour of a bank with which such accounts are maintained, securing amounts owing to such bank with respect to operating account arrangements;
- (l) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;
- (m) any other Liens (including Liens in respect of purchase money security interests and Capital Leases (which, for certainty, shall not include any operating leases entered into in connection with any sale-leaseback) which would have been operating leases under GAAP as in effect on December 31, 2018, regardless of whether such lease was entered into prior to or after December 31, 2018) which are not otherwise Permitted Liens; provided that the aggregate principal amount of Debt or other obligations secured thereby does not exceed the amount of \$5,000,000.00;
- (n) the Security;
- (o) the Tamarack Security so long as the Intercreditor Agreement (Borrower) remains in full force and effect;
- (p) any Lien from time to time which is consented to in writing to by all of the Lenders; and
- (q) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the preceding paragraphs (a) through (q) inclusive of this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the Debt, liability or obligation secured thereby is not increased.

"Permitted Swap Agreement" means:

- (a) the ISDA Master Agreement dated as of the date hereof and entered into between the Borrower and the Swap Counterparty, as amended, modified, replaced, restated or supplemented from time to time as permitted under the terms of this Agreement, and all confirmations thereunder (including the confirmation entered into on the date hereof); provided, however, that such agreement and confirmations only provide for arrangements that comply with the provisions of Section 6.1(w); provided, however, that any failure of an ISDA Master Agreement entered into between the Borrower and the Swap Counterparty or any confirmation thereunder, individually or collectively, to provide for arrangements that comply with the provisions of Section 6.1(w) shall not in any way adversely affect the Swap Counterparty, and in particular any such failure shall not result in the obligations and liabilities of the Borrower thereunder not representing Swap Obligations or Secured Obligations hereunder or Hedge Facility Obligations or Swap Indebtedness, as applicable, for purposes of the Intercreditor Agreements nor prevent such ISDA Master Agreement and all confirmations thereunder from constituting Hedge Agreements for purposes of the Intercreditor Agreement (Swap Counterparty); and
- (b) any other Swap Agreement that the Lenders have agreed will be a "Permitted Swap Agreement" hereunder;

"Person" means a natural person, sole proprietorship, corporation, limited liability company, trust, joint venture, association, company, partnership, institution, public benefit corporation, investment or other fund, Governmental Authority or other entity, and pronouns have a similarly extended meaning.

"Petroleum Substances" means crude oil, bitumen, synthetic crude oil, petroleum, gas, coal seam gas, casinghead gas, drip gasoline, natural gasoline, natural gas liquids, condensate, distillate, all other liquid and gaseous hydrocarbons and all products refined or separated therefrom or produced or to be produced in conjunction therewith from a well bore and all products, by-products, and other substances derived therefrom or the processing thereof, and all other minerals and substances produced in conjunction with such substances, liquid or gaseous, whether hydrocarbons or not, including, but not limited to, sulfur, hydrogen sulphide, geothermal steam, water, carbon dioxide, helium, and any and all minerals, ores, or substances of value and the products and proceeds therefrom.

"PPSA" means the *Personal Property Security Act* (Alberta) (or any successor statute) or similar legislation of any other jurisdiction the laws of which are required by such legislation to be applied in connection with the issue, perfection, enforcement, validity or effect of security interests.

"Prime Rate" means, for any period, a fluctuating rate per annum as shall be in effect from time to time, which rate per annum shall be equal to the greater of (i) the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the United States or, if The Wall Street Journal ceases to quote such rate, the highest rate *per annum* interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent) and (ii) 3.50% per annum. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer.

"Proceeds of Realization" means all cash and non-cash proceeds derived from any sale, Disposition or other realization of the Collateral (a) after any notice by the Administrative Agent to the Borrower pursuant to Section 8.2 declaring all indebtedness of the Borrower hereunder to be immediately due and payable or the automatic acceleration of such indebtedness, (b) upon any dissolution, liquidation, winding-up, reorganization, bankruptcy, insolvency or receivership of any of the Credit Parties (or any other arrangement or marshalling of the Collateral that is similar thereto) or (c) upon the enforcement of, or any action taken with respect to, any of the Credit

Documents. For greater certainty, prior to the occurrence of an Event of Default (y) insurance proceeds less than \$100,000 derived as a result of the loss or destruction of any of the Collateral or (z) cash or non-cash proceeds derived from any expropriation or other condemnation of any of the Collateral shall not constitute Proceeds of Realization.

"Property Loss Event" means, with respect to any property, any loss of or damage to such property or any taking of such property or condemnation thereof.

"Proved Developed Producing Reserves" has the meaning assigned such term in the COGE Handbook.

"Proved Reserves" has the meaning assigned such term in the COGE Handbook.

"Purchase Price" has the meaning specified in the Acquisition Agreement.

"PV10" means, in respect of either of the Proved Developed Producing Reserves or the Proved Reserves, respectively, of the Borrower's Oil and Gas Properties, the net present value (on a before income tax basis) of future cash flows (discounted at ten percent (10%) per annum) calculated by the Borrower and acceptable to the Majority Lenders in their sole and reasonable judgment (including using the production and cost profiles in the most recent Engineering Report and using then current Strip Prices and curves, adjusted for hedging and other required discounts, in each case satisfactory to the Lenders) after having reviewed the information from the most recent Engineering Report delivered by the Borrower hereunder and taking into account all other factors which the Majority Lenders reasonably deem material, but provided that each calculation of such expected future cash flow shall be made in accordance with the then existing standards of The Society of Petroleum Evaluation Engineers (Calgary Chapter), provided that in any event (a) appropriate deductions shall be made for severance and ad valorem taxes or goods and services taxes, and for operating, gathering, transportation and marketing costs required for the production and sale of such reserves, (b) the pricing assumptions used in determining PV10 for any particular reserves shall be based upon the Strip Price (as reasonably determined by the Majority Lenders) and (c) the cash-flows derived from the pricing assumptions set forth in paragraph (b) above shall be further adjusted to account for the historical basis differential, in each case, in a manner reasonably acceptable to the Majority Lenders.

"Rateable Portion" means, at any time, the proportion of the Individual Commitment Amount of a Lender at such time relative to the aggregate Individual Commitment Amounts of all Lenders at such time.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors and officers, employees and advisors of such Person and of such Person's Affiliates.

"Sanctioned Person" means:

- (a) a Person that is designated under, listed on, or owned or controlled by a Person designated under or listed on, or acting on behalf of a Person designated under or listed on, any Sanctions List;
- (b) a Person that is located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a Person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions;
- (c) a Person that is otherwise a target of Sanctions ("target of Sanctions" signifying a person with whom a person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities); or

- (d) any other Person to which any Lender would not be permitted to make a loan, or provide funding, in accordance with the Sanctions, or otherwise deal with pursuant to the Sanctions.

"Sanctions" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctions Authority, including any sanctions or requirements imposed by, or based upon the obligations or authorities set forth in, the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Criminal Code* (Canada), the *Freezing of Assets of Corrupt Foreign Officials Act* (Canada), the Executive Order, the U.S. *Bank Secrecy Act* (31 U.S.C. §§ 5311 et seq.), the U.S. *Money Laundering Control Act of 1986* (18 U.S.C. §§ 1956 et seq.), the *USA Patriot Act of 2001*, the U.S. *International Emergency Economic Powers Act* (50 U.S.C. §§ 1701 et seq.), the U.S. *Trading with the Enemy Act* (50 U.S.C. App. §§ 1 et seq.), the U.S. *United Nations Participation Act*, the U.S. *Syria Accountability and Lebanese Sovereignty Act*, the U.S. *Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010* or the *Iran Sanctions Act* (United States), or any of the foreign assets control regulations of the U.S. Department of the Treasury (including but not limited to 31 CFR, Subtitle B, Chapter V) or any other law or executive order relating thereto or regulation administered by OFAC.

"Sanctions Authority" means any of: (a) the Canadian government; (b) the United States government; (c) the United Nations; (d) the European Union; (e) the United Kingdom; or (f) the respective governmental institutions, departments and agencies of any of the foregoing, including Foreign Affairs, Trade and Development Canada, Public Safety Canada, OFAC, the United States Department of State, and Her Majesty's Treasury of the United Kingdom; **"Sanctions Authorities"** means all of the foregoing Sanctions Authorities, collectively.

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury of the United Kingdom, or any substantially similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"Secured Obligations" means: (a) in respect of the Borrower and GPHC, the Obligations and the Swap Obligations, and (b) in respect of each Credit Party (other than the Borrower and GPHC), the Obligations.

"Secured Parties" means, collectively, the Administrative Agent, the Collateral Agent, each of the Lenders and the Swap Counterparty, in each case from time to time, including any successors or assigns of any such Persons.

"Security" means, at any time, the Liens in favour of the Collateral Agent, for the benefit of the Secured Parties, in the Collateral securing the Obligations described in the applicable Security Documents.

"Security Documents" means, collectively, the Shared Security Documents and the Supplemental Security Documents.

"Senior Debt" means all of the consolidated Debt of the Borrower other than the Debt under the Tamarack Promissory Note.

"Shared Security Documents" means the agreements described as such in Section 3.1(1), and any other security granted to the Collateral Agent, for the benefit of the Secured Parties that secures, or is required to secure, the Secured Obligations of the Borrower and GPHC under this Agreement, the other Credit Documents and the Permitted Swap Agreement, or any of them.

“Solvent” means, with respect to any Person on a particular date, that on such date, (a) such Person is not for any reason unable to meet its obligations as they generally become due, (b) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due, and (c) the aggregate property of such Person is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all its obligations, due and accruing due.

“STA” means the *Securities Transfer Act* (Alberta).

“Strip Price” shall mean, at any time, (a) for the remainder of the current calendar year, the average NYMEX/AECO Pricing for the remaining contracts in the current calendar year, (b) for each of the succeeding four complete calendar years, the average NYMEX/AECO Pricing for the twelve months in each such calendar year, and (c) for the succeeding fifth complete calendar year, and for each calendar year thereafter, the average NYMEX/AECO Pricing for the twelve months in such fifth calendar year.

“Subject Properties” means collectively, the Owned Properties and the Leased Properties.

“Subsidiary” means, with respect to any Person (in this definition, the **“parent”**), at any date, (a) any corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all equity interests entitled to vote in the election of the directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (b) any partnership, (i) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (ii) the only general partners of which are the parent and/or one or more subsidiaries of the parent, and (c) any other Person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

“Supplemental Security Documents” means the agreements described in Section 3.1(2) granted to the Collateral Agent, for the benefit of the Lenders, the Administrative Agent and the Collateral Agent, by any of the Persons that are Credit Parties as at the date hereof (other than the Borrower and GPHC), in each case as security for the Secured Obligations of such Credit Parties under this Agreement and the other Credit Documents, or any of them.

“Swap Agreement” means any transaction (including an agreement with respect thereto) now existing or hereafter entered by any Person which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or other financial measures and whether exchange traded, “over-the-counter” or otherwise.

“Swap Counterparty” means J. Aron & Company LLC.

“Swap Obligations” means the Borrower’s and any Subsidiaries’ obligations and liabilities under the Permitted Swap Agreement.

“Tamarack” means Tamarack Valley Energy Ltd., a corporation amalgamated under the laws of Alberta, and its successors and permitted assigns.

“Tamarack Assets” means the “Assets” as defined in the Acquisition Agreement.

"Tamarack Obligations" means the Borrower's and any Subsidiaries' obligations and liabilities under the Tamarack Promissory Note.

"Tamarack Promissory Note" means the promissory note dated as of July 20, 2022 granted by the Borrower in favour of Tamarack in the amount of \$20,000,000, as amended, modified, extended, renewed, replaced, restated or supplemented from time to time in accordance with the provisions of this Agreement.

"Tamarack Security" means, at any time, the Liens in favour of Tamarack securing the Tamarack Obligations.

"Tax Act" means the Income Tax Act (Canada), R.S.C. 1985, c.1 (5th Supp.), as amended.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Total Leverage Ratio" means, at any time, the ratio of Senior Debt at such time to EBITDAX for the most recently completed four Financial Quarters.

"Trafigura" means Trafigura Canada Limited and its successors and assigns.

Section 1.2 Gender and Number.

Any reference in the Credit Documents to gender includes all genders and words importing the singular number only include the plural and vice versa.

Section 1.3 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Agreement. The expressions **"Article"**, **"Section"**, **"Schedule"** and **"Exhibit"** followed by a number or other reference mean and refer to the specified Article, Section, Schedule or Exhibit of this Agreement.

Section 1.4 Currency.

All references in the Credit Documents to "Dollars" or "\$", unless otherwise specifically indicated, are expressed in the lawful currency of Canada. All references to "U.S. \$" or "U.S. Dollars" are references to the lawful currency of the United States of America.

Section 1.5 Certain Phrases, etc.

In any Credit Document (i) the words "including" and "includes" mean "including (or includes) without limitation", and the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of", (ii) In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding", and references to "this Agreement", "hereof" and "herein" and like references refer to such Credit Document and not to any particular Article, Section or other subdivision of such Credit Document.

Section 1.6 Non-Business Days.

Whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest, if any, thereon.

Section 1.7 **Accounting Terms.**

- (1) Except as otherwise expressly provided, all accounting terms, principles and calculations applicable to the Credit Facility will be interpreted, applied and calculated, as the case may be, in accordance with GAAP. The basis of accounting and all calculations set out in this Agreement will be applied and made on a consistent basis and will not be changed for the purposes of this Agreement unless required by GAAP or as agreed to by the Lenders in writing, such agreement not to be unreasonably withheld. It will be reasonable for the Lenders to withhold its consent if a proposed change could adversely affect the obligations of the Borrower or rights of the Lenders under the Credit Documents.
- (2) If the Borrower adopts a change in an accounting policy in the preparation of its financial statements in order to conform to accounting recommendations, guidelines, or similar pronouncements, or legislative requirements, and such change would require disclosure thereof under GAAP, or would reasonably be expected to materially and adversely affect (a) the rights of, or the protections afforded to, the Lenders hereunder or (b) the position either of the Borrower or of the Lenders hereunder, the Borrower shall so notify the Lenders, describing the nature of the change and its effect on the current and immediately prior year's financial statements in accordance with GAAP and in detail sufficient for the Lenders to make the determination required of it in the following sentence. If either of the Borrower or the Lenders determine at any time that such change in accounting policy results in a material adverse change either (i) in the rights of, or protections afforded to, the Lenders intended to be derived, or provided for, hereunder or (ii) in the position either of the Borrower or of the Lenders hereunder, written notice of such determination shall be delivered by the Borrower to the Lenders, in the case of a determination by the Borrower, or by the Lenders to the Borrower, in the case of a determination by the Lenders.
- (3) Upon the delivery of a written notice pursuant to Section 1.7(2) the Borrower and the Lenders shall meet to consider the impact of such change in GAAP or such change in accounting policy (in each case, an "**Accounting Change**"), as the case may be, on the rights of, or protections afforded to, the Lenders or on the position of the Borrower or of the Lenders and shall in good faith negotiate to execute and deliver an amendment or amendments to this Agreement in order to preserve and protect the intended rights of, or protections afforded to, the Borrower or the Lenders (as the case may be) on the date hereof or the position of the Borrower or the Lenders (as the case may be); provided that, until this Agreement has been amended in accordance with the foregoing, then for all purposes hereof, the applicable changes from GAAP or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under GAAP prior to such change and the Borrower's prior accounting policy. For the purposes of this Section 1.7, the Borrower and the Lenders acknowledge that the amendment or amendments to this Agreement are to provide substantially the same rights and protection to the Borrower and the Lenders as is intended by this Agreement as at the Closing Date. If the Borrower and the Lenders do not (for any reason whatsoever) mutually agree (in their respective sole and absolute discretions, without any obligation to so agree) on such amendment or amendments to this Agreement within sixty (60) days following the date of delivery of such written notice, the Borrower shall either continue to provide financial statements in accordance with GAAP prior to such change or provide all such financial information as is reasonably required (or requested by the Lenders acting reasonably) in order for any amount required to be determined hereunder to be determined in accordance with GAAP prior to such change and/or the Borrower's prior accounting policy, including to the extent applicable the calculation of and the reason for the changed amounts as between GAAP prior to such change and GAAP, and, for all purposes hereof, the applicable changes from GAAP prior to such change or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under GAAP prior to such change and/or the Borrower's prior accounting policy. The Borrower will notify the Administrative Agent as to any agreement or other resolution as to the change to GAAP reached pursuant to this section.

- (4) If a Compliance Certificate is delivered in respect of a Financial Quarter or Financial Year in which an Accounting Change is implemented without giving effect to any revised method of calculating a financial calculation hereunder (each a “**Financial Calculation**”), and subsequently, as provided above, the method of calculating the Financial Calculation is revised in response to such Accounting Change, or the amount to be determined pursuant to the Financial Calculation is to be determined without giving effect to such Accounting Change, the Borrower shall deliver a revised Compliance Certificate. Any Event of Default which arises as a result of the Accounting Change and which is cured by this Section 1.7 shall be deemed never to have occurred.

Section 1.8 Incorporation of Schedules and Exhibits.

The schedules and exhibits attached to this Agreement shall, for all purposes of this Agreement, form an integral part of it.

Section 1.9 Severability.

If the whole or any portion of the Credit Documents or the application thereof to any circumstance will be held invalid or unenforceable to an extent that does not affect the operation of the Credit Document in question in a fundamental way, the remainder of the Credit Document in question, or its application to any circumstance other than that to which it has been held invalid or unenforceable, will not be affected thereby and will be valid and enforceable to the fullest extent permitted by Applicable Law.

Section 1.10 Enurement.

This Agreement shall become effective when executed by the Borrower, the Administrative Agent, the Collateral Agent and the Lenders and after that time shall be binding upon and enure to the benefit of the Borrower, the Administrative Agent, the Collateral Agent and the Lenders and their respective successors and permitted assigns.

Section 1.11 Time of the Essence.

Time is of the essence in respect of the Credit Documents.

Section 1.12 Conflict.

To the extent that there is any inconsistency or ambiguity between the provisions of this Agreement and any other Credit Document, the provisions of this Agreement will govern to the extent necessary to eliminate such inconsistency or ambiguity.

Section 1.13 Permitted Liens.

Any reference in this Agreement or any of the other Credit Documents to a Permitted Lien or a Lien permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Credit Documents to any Permitted Lien or any Lien permitted hereunder.

Section 1.14 References to Agreements.

Except as otherwise provided in this Agreement, any reference in this Agreement to any agreement or document means such agreement or document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented in accordance herewith and therewith.

Section 1.15 Statutes.

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

ARTICLE 2 CREDIT FACILITY

Section 2.1 Credit Facility.

- (1) Subject to the terms and conditions hereof and effective on the Closing Date, the Lenders hereby establish the Credit Facility in favour of the Borrower. The Lenders agree, on the terms and conditions of this Agreement, to make one (1) Advance to the Borrower on or after the Closing Date in respect of the Commitment (and each in their Individual Commitment Amount).
- (2) The Advance under the Credit Facility shall be made to the Borrower with an original issue discount of U.S. \$2,869,565.21 (the "**OID**"). The OID shall not be a credit against interest payable pursuant to this Agreement but shall constitute additional interest paid on the amount of the Advance (by way of netting off of the principal amount of the Advance) in advance.

Section 2.2 Non-Revolving Commitment.

- (1) The Outstanding Principal shall not at any time exceed the Commitment.
- (2) The Credit Facility does not revolve, and any amount repaid or prepaid under the Credit Facility cannot be re-borrowed and shall permanently reduce the Individual Commitment Amount of each Lender the Credit Facility in the amount of such Lender's Rateable Portion.

Section 2.3 Use of Proceeds.

The Borrower shall use the proceeds of the Advance (after netting off the amount of the OID) solely for the purposes of (a) completing the Acquisition and paying cash portion of the Purchase Price pursuant to the Acquisition Agreement, (b) repaying existing Debt obligations of GPMC to Trafigura and (c) thereafter for general corporate purposes of the Borrower, GPMC and GPHC.

Section 2.4 Procedure for Advance.

The Advance under the Credit Facility shall be made on two (2) Business Days' prior written notice, given not later than 9:00 a.m. (Calgary time) by the Borrower to the Administrative Agent, in substantially the form of Exhibit 4 (the "**Notice of Advance**"), and shall be irrevocable and binding on the Borrower. Upon fulfilment of the conditions precedent set forth in Article 4, the Lenders will make such funds available to the Borrower.

Section 2.5 Repayments.

- (1) The Borrower shall repay (subject to Section 7.2 and Section 8.1) to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, the full amount of the Outstanding Principal, together with all accrued unpaid interest and fees and all other Obligations in connection with the Credit Facility (including, without limitation, any applicable MOIC Amount owing to the Lenders), on the Maturity Date.
- (2) On the first (1st) day of each calendar month commencing on October 1, 2022 the Borrower shall pay (subject to Section 7.2 and Section 8.1) to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion:
 - (a) a monthly installment of Outstanding Principal which is equal to the amount set forth in the Amortization Schedule for the applicable month; and
 - (b) all interest accrued on the Outstanding Principal in accordance with this Agreement which is then unpaid.
- (3) Within 5 days following the delivery of the Compliance Certificate for the second and the fourth Financial Quarters (which Financial Quarters end on June 30 and December 31, respectively) in each Financial Year (commencing with the Financial Quarter ending on December 31, 2022), the

Borrower shall pay (subject to Section 7.2 and Section 8.1) to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, an amount equal to 75% of the Excess Cash Flow calculated for such Financial Quarter and the immediately preceding Financial Quarter.

- (4) In addition to any other payments required to be made by the Borrower under this Agreement, the Borrower shall pay to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, the following amounts:
- (a) 100% of the Net Proceeds arising from any sale or other Disposition relating to all or any part of the Collateral or any interest therein;
 - (b) 100% of the Net Proceeds from any issuance of Debt for borrowed money (other than Permitted Debt), including by way of bonds, promissory notes, debentures or similar evidences of indebtedness by the Credit Parties;
 - (c) 100% of the Net Proceeds of insurance received in excess of \$1,000,000.00 as a result of any damage or destruction of an Asset; provided, however, that if the Borrower has insurance on a replacement cost basis in respect of such Asset and the proceeds or an amount not less than the proceeds of such insurance has been expended by the Borrower for the repair or replacement of such Asset within one hundred eighty (180) days following the date of any damage to such Asset, then the Borrower shall not be required to pay to the Administrative Agent the amount of such proceeds of insurance so expended so long as the Borrower has provided to the Administrative Agent evidence reasonably satisfactory to the Administrative Agent of such expenditure;
 - (d) 100% of any and all damages, payments or other recoveries received by the Borrower under or in respect of any claim or claims made by the Borrower under the Acquisition Documents (including for any breach of a representation or warranty thereunder), net of the costs incurred by the Borrower in pursuing such damages, payments or other recoveries;
 - (e) 100% of any grants, rebates or refunds received by the Borrower from any Governmental Authority except to the extent that any such grants, rebates or refunds are in accordance with the terms thereof required by the applicable Governmental Authority to be used for a particular purpose other than for the repayment of Debt; and
 - (f) 100% of the amounts received from Spicelo Limited which are required to be paid, directly or indirectly, by Spicelo Limited to the Borrower in accordance with Section 37(s) of the Greenfire Pledge.

in each case within five (5) Business Days of the receipt thereof or, in the case of Net Proceeds of insurance, within five (5) Business Days of the expiry of the one hundred eighty (180) day period in which the Borrower may expend such funds for the repair or replacement of the applicable Assets if (and to the extent) the Net Proceeds of such insurance have not been so used to repair or replace the applicable Assets. The Borrower shall give the Administrative Agent ten (10) Business Days prior written notice of any mandatory prepayment to this Section, including the reason for the mandatory prepayment and the amount of such mandatory prepayment (with reasonable evidence supporting such amount). The Administrative Agent will remit to the Lenders within two (2) Business Days of receipt of the payment by the Borrower.

The Borrower shall not be required to pay to the Administrative Agent or the Lenders the Net Proceeds from any issuance of Equity Securities (including, for the purposes of this paragraph, any proceeds received from the exercise of any warrants) by any Credit Party; provided, however, that no Credit Party may use such Net Proceeds from any issuance of Equity Securities

to redeem or repay any Debt other than the Obligations without the prior written consent of all of the Lenders.

- (5) Upon the occurrence and during the continuance of a Default or an Event of Default, the Collateral Agent may, pursuant to the Blocked Account Agreement, deliver notice to the depository bank with respect to the Collection Account (in this Section 2.5(5), a “**Trigger Notice**”), and upon and following delivery of any such Trigger Notice, the relevant depository bank will wire, or otherwise transfer, in immediately available funds, all funds received or deposited into the Collection Account to such bank account as the Collateral Agent may from time to time designate for such purpose. On each Business Day during which a Trigger Notice is in effect, the Collateral Agent shall apply all amounts received by it by no later than the next following Business Day from the Collection Account to the Obligations in accordance with Section 2.10 hereof. The Borrower agrees that all payments made to the Collection Account shall, upon the issuance of a Trigger Notice, be subject to the Collateral Agent’s sole control and shall be treated as payments to the Collateral Agent in respect of the Obligations in accordance with Section 2.10 hereof and therefore shall constitute the property of the Collateral Agent and the Lenders to the extent of the amount of the outstanding Obligations. The receipt of any payment item by the Collateral Agent (whether from transfers to the Collateral Agent pursuant to the Blocked Account Agreement or otherwise) shall not be considered a payment on account unless such payment item is a wire transfer of immediately available funds made to the Collateral Agent’s bank account or unless and until such payment item is honoured when presented for payment. Should any payment item be paid to the Collateral Agent in a foreign currency, the Collateral Agent shall not be obligated to apply any particular exchange rate to such currency and may rely on the depository bank (identified in the Blocked Account Agreement) to convert such foreign currency into Canadian Dollars. The Collateral Agent shall not be liable or be required to indemnify the Borrower or any other Person or its depository bank for any foreign exchange losses, fluctuations, etc. The Collateral Agent is not required to credit any Obligations for the amount of any item of payment which is returned to the Collateral Agent unpaid. If and when the Default or Event of Default which gave rise to the delivery of a Trigger Notice is no longer continuing, and so long as no other Default or Event of Default shall have occurred and be continuing, the Collateral Agent shall either (i) provide written notice to the depository bank withdrawing or revoking such Trigger Notice following which payments made to the Collection Account shall no longer be required to be paid over to the Collateral Agent or subject to the Collateral Agent’s sole control, as contemplated in this Section 2.5(5) until delivery of a new Trigger Notice under the Blocked Account Agreement, or (ii) terminate the then existing Blocked Account Agreement and enter into new Blocked Account Agreement with the depository bank on substantially the same terms as the ones so terminated pursuant to which payments made to the Collection Account shall be subject to the sole control of the applicable Borrower until delivery of a Trigger Notice thereunder.

Section 2.6 Interest.

- (1) All Obligations shall bear interest, as well after as before maturity, default and judgment, with interest on overdue interest, from the date of the Advance until all Obligations are indefeasibly paid in full in cash, at the Applicable Rate.
- (2) Interest under this Agreement shall accrue and be calculated (but not compounded) on a daily basis and on the basis of the actual number of days elapsed in the period for which such interest is payable (including the first day of such period but excluding the date on which such interest is payable) divided by 360. The annual rates of interest to which the rates determined in accordance with the foregoing provisions of this Section 2.6 are equivalent, are the rates so determined multiplied by the actual number of days in the relevant calendar year and divided by 360.
- (3) Interest accrued in accordance with this Agreement on the Outstanding Principal shall be payable monthly for each calendar month, in arrears, commencing on August 1, 2022, in accordance with the provisions of Section 2.5(2).

- (4) Interest accrued on Obligations other than the Outstanding Principal will be payable, in arrears, by the Borrower to the Administrative Agent, for the benefit of the Lenders in accordance with their Rateable Portion, within three (3) Business Days of demand by any Lender.
- (5) If any Default or Event of Default occurs, then from the date such Default or Event of Default occurs until such default is no longer continuing, or until all Obligations are irrevocably and indefeasibly paid in cash and performed in full, the Borrower will be obligated to pay interest on the unpaid Obligations at a per annum rate that is equal to the Applicable Rate plus the Default Rate. Such additional interest at the Default Rate shall be payable in full, in arrears, by the Borrower to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, in accordance with the provisions of Section 2.5(2).

Section 2.7 Payments under this Agreement.

- (1) Unless otherwise expressly provided in this Agreement, the Borrower shall make any payment required to be made by it to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, by depositing the amount of the payment to the Administrative Agent, for the benefit of the Lenders in accordance with their Rateable Portion, in immediately available funds not later than 2:00 p.m. (Calgary time) on the date the payment is due.
- (2) Payments made hereunder shall be made on a Business Day. Payments received by the Administrative Agent before 2:00 p.m. (Calgary time) on a Business Day will be given value on that Business Day. All payments received by the Administrative Agent after 2:00 p.m. (Calgary time) will be given value on the next following Business Day. The Administrative Agent will remit to the Lenders not later than the next following Business Day.
- (3) The Borrower shall make each such payment under the Credit Documents in Dollars.

Section 2.8 Optional Prepayments.

The Borrower may prepay all or any portion of the Outstanding Principal at any time prior to the Maturity Date upon 5 days' prior written notice of such payment, without bonus or penalty but subject to payment of any applicable MOIC Amount, which notice shall be irrevocable and binding on the Borrower and shall specify the date of repayment, which date shall be a Business Day, and the amount of Outstanding Principal to be prepaid. Upon exercise of such option and the giving of such notice: (a) the Outstanding Principal specified in such notice, together with all accrued but unpaid interest thereon and any MOIC Amount with respect thereto shall become due and payable on the expiry of such 5 day period; and (b) the Borrower shall pay to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, upon the expiry of such 5 day period the Outstanding Principal identified in such written notice together with all accrued but unpaid interest thereon and any MOIC Amount with respect thereto. Any Outstanding Principal or interest prepaid and MOIC Amount paid pursuant to this Section 2.8 shall be in addition to, and not in lieu of, all payments otherwise required to be paid under the Credit Documents at the time of such prepayment. The Administrative Agent will remit to the Lenders not later than the next following Business Day.

Section 2.9 Fees.

- (1) On the first Business Day of each Financial Quarter, the Borrower shall pay to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, an administration fee equal to equal to \$25,000.00.
- (2) The Borrower shall pay to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, an upfront fee equal to \$600,000.00, which upfront fee shall be payable in equal payments of \$200,000.00 on October 1, 2022, November 1, 2022 and December 1, 2022.

- (3) The Borrower shall pay all fees and expenses of the Administrative Agent and the Collateral Agent to them in accordance with the provisions of a fee letter to be entered into by the Borrower, the Administrative Agent and the Collateral Agent.
- (4) The Administrative Agent will remit the fees so received to the Lenders within two (2) Business Days of receipt of the same day value funds.

Section 2.10 Application of Payments and Prepayments and Payment of MOIC Amount.

- (1) Except for amounts paid by the Borrower pursuant to Section 2.5(2) (which shall be applied as contemplated in Section 2.5(2)), all amounts received by the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, from or on behalf of the Borrower shall be applied by the Administrative Agent in accordance with the provisions of Section 8.7, *mutatis mutandis*. The Administrative Agent may, at the direction of all of the Lenders, vary such order of application in its sole and absolute discretion and without the consent of the Borrower. Notwithstanding the foregoing, the Administrative Agent may apply any payments made under Section 2.5(3), Section 2.5(4) and Section 2.8 in inverse order of maturity.
- (2) Concurrent with the prepayment or repayment of the Outstanding Principal and other Obligations (whether at maturity or otherwise) or following acceleration of the maturity of the Obligations pursuant to the terms hereof, and/or in or in connection with a voluntary or involuntary bankruptcy or insolvency or otherwise, the Borrower shall pay to the Administrative Agent, for the benefit of all Lenders, the MOIC Amount on the portion of the Funded Loan Amount so prepaid, repaid or due. For the avoidance of doubt, the Obligations shall not be considered extinguished nor shall the Liens on the Collateral be released until the MOIC Amount is paid in full in cash. Any payment required pursuant to this Section 2.10(2) is in addition to, and not a replacement of any amount paid in respect of the Outstanding Principal, interest or fees under this Agreement or the other Credit Documents. For the avoidance of doubt, this Section 2.10(2) is for the benefit of the Lenders only and is not intended to be the sole remedy for the Borrower's breach of any provision of this Agreement. Notwithstanding the foregoing, the MOIC Amount shall not be payable on any repayment or prepayment under this Loan Agreement in connection with: (a) the financing by each of the Lenders of any new acquisition of Assets or Equity Securities by GPCM, GPHC or the Borrower; or (b) the refinancing of the Tamarack Indebtedness by each of the Lenders.
- (3) Concurrently with any repayment or prepayment of any Obligations pursuant to this Agreement (including, without limitation, Section 2.5, Section 2.8, Section 8.2) the Borrower shall deliver to the Administrative Agent for delivery to the Lenders a certificate of a senior financial officer demonstrating the calculation of: (a) the amount of the applicable proceeds giving rise to the prepayment in the case of a prepayment pursuant to Section 2.5(4), (b) the amount of the applicable prepayment or repayment; and (c) the MOIC Amount in respect thereof, including reasonably detailed calculations thereof, in form and substance satisfactory to the Lenders.

Section 2.11 Computations of Interest and Fees.

- (1) The Administrative Agent will maintain records, in written or electronic form, evidencing the Advance and all other Obligations owing by the Borrower to each Secured Party under this Agreement. The information entered in such records will constitute *prima facie* evidence of the Obligations of the Borrower to each Secured Party.
- (2) Interest at the Applicable Rate on the Obligations will be calculated on the basis of a 360 day year.
- (3) All computations of fees shall be made by the Administrative Agent on the basis of a year of 365 days taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which the fees are payable.

- (4) For purposes of the *Interest Act* (Canada) and any other Applicable Laws, (a) the annual rates of interest and fees applicable to the Obligations are the rates as determined hereunder multiplied by the actual number of days in a period of one year commencing on the first day of the period for which such interest or fee is payable and divided by 365, (b) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement, and (c) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.
- (5) Notwithstanding any provision herein to the contrary, in no event will the aggregate "interest" (as defined in section 347 of the *Criminal Code* (Canada)) payable under this Agreement or any other Credit Document exceed the maximum effective annual rate of interest on the "credit advanced" (as defined in that section 347) permitted under that section and, if any payment, collection or demand pursuant to this Agreement or any Credit Document in respect of "interest" (as defined in that section 347) is determined to be contrary to the provisions of that section 347, such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and the Secured Parties and the amount of such payment or collection will be refunded to the Borrower. For purposes of this Agreement, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of the Credit Facility on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent will be *prima facie* evidence, for the purposes of such determination.
- (6) To the extent permitted by Applicable Law, the provisions of the *Judgment Interest Act* (Alberta) will not apply to the Credit Documents and are hereby expressly waived by the Borrower.

ARTICLE 3 SECURITY

Section 3.1 Security.

- (1) The present and future Secured Obligations of the Borrower and GPHC to the Secured Creditors under the Credit Documents and the Permitted Swap Agreement, and all other Secured Obligations of the Borrower and GPHC to the Secured Creditors, howsoever arising or incurred hereunder and under the Credit Documents and the Permitted Swap Agreement will be secured by the following Security Documents, each in a form acceptable to the Collateral Agent and the Lenders, acting reasonably:
 - (a) in respect of the Borrower:
 - (i) a fixed and floating charge debenture from the Borrower granting a security interest over all present and after-acquired real and personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party); and
 - (ii) the Blocked Account Agreement;
 - (b) in respect of GPHC:
 - (i) a full unconditional guarantee of all Secured Obligations of the Credit Parties (other than GPHC);
 - (ii) a fixed and floating charge debenture from GPHC granting a security interest over all present and after-acquired real and personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party); and

- (iii) a securities pledge agreement in respect of all of the issued and outstanding Equity Securities in the capital of the Borrower; and
 - (c) if requested by the Collateral Agent upon the direction of the Majority Lenders or the Swap Counterparty, such documents and instruments providing a fixed Lien in accordance with Section 3.5.
- (2) The present and future Obligations of the Credit Parties (other than the Borrower and GPHC) to the Secured Parties under the Credit Documents, and all other Obligations of such Credit Parties to the Secured Parties, howsoever arising or incurred hereunder and under the Credit Documents will be secured by the following Security Documents, each in a form acceptable to the Collateral Agent and the Lenders, acting reasonably
 - (a) in respect of GPCM:
 - (i) a full unconditional guarantee of all Obligations of the Credit Parties (other than GPCM);
 - (ii) a fixed and floating charge debenture from GPCM granting a security interest over all present and after-acquired personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party); and
 - (iii) a securities pledge agreement in respect of all of the issued and outstanding Equity Securities in the capital of GPHC;
 - (b) in respect of each GPCM Shareholder Guarantor, a limited recourse guarantee (with recourse limited to such GPCM Shareholder Guarantor's Equity Securities in the capital of GPCM) of all Obligations with a pledge of all of such GPCM Shareholder Guarantor's issued and outstanding Equity Securities in the capital of GPCM;
 - (c) in respect of Spicelo Limited, a limited recourse guarantee (with recourse limited to 1,125,002 common shares in the capital of the Greenfire Resources Inc. owned by Spicelo Limited (the "**Greenfire Shares**")) of all Obligations with a pledge of the issued and outstanding Greenfire Shares (the "**Greenfire Pledge**"); and
 - (d) if requested by the Collateral Agent upon the direction of the Majority Lenders, such documents and instruments providing a fixed Lien in accordance with Section 3.5.

Section 3.2 Exclusivity of Remedies.

Nothing herein contained or in the Security Documents now held or hereafter acquired by the Collateral Agent or the Lenders, nor any act or omission of the Collateral Agent or the Lenders with respect to any such Security Documents, will in any way prejudice or affect the rights, remedies or powers of the Collateral Agent or the Lenders with respect to any other security at any time held by the Collateral Agent or the Lenders.

Section 3.3 Form of Security.

The Security Documents will be in such form or forms as will be required by the Lenders, acting reasonably, and will be registered in such public registry offices in Canada or any province thereof as the Lenders, acting reasonably, may from time to time require to protect the Liens created thereby. Should the Lenders determine at any time and from time to time, acting reasonably, that the form and nature of the then existing Security Documents is deficient in any way or does not fully provide the Collateral Agent or the Lenders with the Liens and priority to which each is entitled hereunder, the Borrower will forthwith execute and deliver or cause to be executed and delivered to the Collateral Agent, for the benefit of the

Secured Parties, at the Borrower's expense, such amendments to the Security Documents or provide such new security as the Collateral Agent may reasonably request.

Section 3.4 After-Acquired Property.

All property acquired by or on behalf of any Credit Party who has provided any Security which forms part of the Assets of such Credit Party (in this Section 3.4, "**After-Acquired Property**"), will be subject to the Security Documents without any further conveyance, mortgage, pledge, charge, assignment or other act on the part of the Collateral Agent or the Credit Parties. Without limiting the effect of the preceding sentence, the Borrower will, or will cause the applicable Credit Party to, from time to time execute and deliver and the Collateral Agent, for the benefit of the Secured Parties, will register, all at the Borrower's expense, such instruments supplemental to the Security Documents, in form and substance satisfactory to the Lenders and advised to the Collateral Agent, acting reasonably, as may be necessary or desirable to ensure that the Security Documents as amended and supplemented constitute in favour of the Collateral Agent, for the benefit of the Secured Parties, an effective Lien to the extent created by the Security Documents over such After-Acquired Property as required hereunder, subject only to Permitted Liens which under Applicable Law rank in priority thereto.

Section 3.5 Undertaking to Grant Fixed Charge Security.

If any of the Administrative Agent, the Collateral Agent, the Majority Lenders or the Swap Counterparty determine, acting reasonably, that there has been a Material Adverse Effect, or a Default or Event of Default has occurred and is continuing, and the Collateral Agent, acting on the instructions of the Majority Lenders, considers it necessary for its adequate protection, the Borrower, at the request of the Collateral Agent, any Lender or the Swap Counterparty, will forthwith grant or cause to be granted to the Collateral Agent, for the benefit of the Secured Parties, a fixed Lien (subject only to Permitted Liens which under Applicable Law rank in priority thereto) in such of the applicable Credit Party's Assets as the Collateral Agent, acting on the instructions of the Majority Lenders, in their respective sole and absolute discretion, determines as security for all then present and future Obligations.

Section 3.6 Further Assurances re: Security.

The Borrower will and will cause each Credit Party, in connection with the provision of any amended, new or replacement Security Documents referred to in Section 3.4 or Section 3.5:

- (a) do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Majority Lenders to give effect to any provision of the amended, new or replacement Security Documents;
- (b) provide the Collateral Agent with such information as is reasonably required by the Collateral Agent to identify the property to be charged;
- (c) do all such things as are reasonably required to grant the Liens to be granted pursuant to the amended, new or replacement Security Documents;
- (d) provide the Collateral Agent with all corporate, partnership or other organizational resolutions and other action required for the Borrower to grant the amended, new or replacement Security Documents;
- (e) provide the Collateral Agent with an opinion of the Borrower's counsel confirming the due authorization, execution and delivery by the applicable Credit Party of all such agreements and instruments comprising the amended, new or replacement Security Documents in form and content satisfactory to the Collateral Agent, acting reasonably; and

- (f) assist the Collateral Agent in the registration or recording of such Security Documents in such public registry offices in Canada and any province thereof as the Majority Lenders, acting reasonably, deems necessary to protect the Liens created by such Security Documents.

Section 3.7 Swap Obligations and Sharing of Certain Security.

- (1) The Borrower and the Lenders agree and acknowledge that the benefit of the Security granted pursuant to the Shared Security Documents is being shared equally among the Lenders and the Swap Counterparty to secure the Secured Obligations of the Borrower on a rateable basis in accordance with the provisions of the Intercreditor Agreement (Swap Counterparty); and that the Collateral Agent will hold the Shared Security Documents granted by the Borrower and GPHC for the benefit of the Lenders hereunder and the Swap Counterparty with respect to all the Swap Obligations pursuant to and in accordance with the Intercreditor Agreement (Swap Counterparty). For purposes of the above sentence, "rateable basis" means:
 - (a) with respect to the Lenders, the Equivalent Amount in Dollars of the Outstanding Principal and other Obligations under the Credit Facility relative to the Equivalent Amount in Dollars of the Outstanding Principal and other Obligations under the Credit Facility and the Swap Obligations; and
 - (b) with respect to the Swap Counterparty, the Equivalent Amount in Dollars of the Swap Obligations relative to the Equivalent Amount in Dollars of the Outstanding Principal and other Obligations under the Credit Facility and the Swap Obligations.
- (2) All Swap Obligations of the Borrower shall rank at all times *pari passu* with the Borrower's Obligations under the Credit Facility in accordance with the Intercreditor Agreement (Swap Counterparty).

Section 3.8 Discharge of Security.

The Collateral Agent agrees, at the sole cost and expense of the Borrower: (a) to discharge the Security forthwith after all of the Secured Obligations and any other obligations of the Credit Parties under the Credit Documents and, if applicable, the Permitted Swap Agreement, have been unconditionally, irrevocably and indefeasibly paid in cash or performed in full and the Credit Facility and, if applicable, the Permitted Swap Agreement, has been terminated to the satisfaction of the Collateral Agent and the Lenders (and none of the Lenders has any further commitments hereunder), and (b) at the request of the Borrower, to discharge that portion of the Security that applies to Assets that are disposed of as permitted pursuant to Section 6.2(g) or execute a no interest letter or similar document in connection with such Disposition.

ARTICLE 4 CONDITIONS PRECEDENT

Section 4.1 Conditions Precedent to the Advance.

The effectiveness of this Agreement and the obligation of the Lenders to make the Advance under this Agreement on the Closing Date are subject to the following conditions precedent being met:

- (a) the Administrative Agent and the Lenders have received, in form and substance satisfactory to all of the Lenders and their counsel:
 - (i) certified copies of (A) the charter documents and by-laws of the Credit Parties, (B) all resolutions of the directors or shareholders, as the case may be, of the Credit Parties approving the borrowing or guarantee of the borrowing, as applicable, granting of security and other matters contemplated by this Agreement and the other Credit Documents; and (C) a list of the officers and

directors of the Credit Parties authorized to sign agreements together with their specimen signatures;

- (ii) a certificate of status, compliance, extract or like certificate with respect to the Credit Parties issued by the appropriate Governmental Authority of the jurisdiction of its incorporation or amalgamation and of each jurisdiction in which it owns any material assets or carries on any material business;
- (iii) this Agreement, the Security Documents and the other Credit Documents (other than the Blocked Account Agreement) required by the Administrative Agent duly executed and delivered by each Credit Party party thereto;
- (iv) the Intercreditor Agreement (Borrower) duly executed by each party thereto;
- (v) the Intercreditor Agreement (Swap Counterparty) duly executed by each party thereto;
- (vi) the Commercial Agreement duly executed by each party thereto;
- (vii) the Acquisition Agreement;
- (viii) certified true and complete copies of the duly executed Acquisition Agreement and such material Acquisition Documents as may be requested by any Lender;
- (ix) certified true and complete copies of the duly executed Permitted Swap Agreement and Tamarack Promissory Note;
- (x) a certificate of the Borrower (signed by a senior officer of the Borrower) confirming that all required Authorizations (including corporate approvals, shareholder approvals and Authorizations of Governmental Authorities) required to be obtained to complete the Acquisition have been obtained by the Borrower and remain in full force and effect, and appending copies of all such Authorizations;
- (xi) a certificate of the Borrower (signed by a senior officer of the Borrower) confirming that:
 - (A) each of the conditions precedent for the benefit of the Borrower in respect of the Acquisition as set forth in the Acquisition Agreement shall have been satisfied or waived (provided, however, that any waiver of any such conditions precedent by the Borrower shall be approved in writing by all of the Lenders); and
 - (B) the Acquisition Closing shall, concurrently with or immediately following the funding of the Advance, occur on terms and conditions consistent with the Acquisition Agreement (without any amendments thereto other than those agreed to by all of the Lenders);
- (xii) (A) searches conducted against each Credit Party in all jurisdictions as the Administrative Agent may require, and (B) all assignments, consents, approvals, acknowledgements, undertakings, intercreditor agreements, subordinations, postponements, discharges, waivers, directions and other documents and instruments which, in the opinion of the Administrative Agent, are desirable or required to make effective the Security and to ensure the perfection and the first ranking priority of such Security over the Collateral, subject to Permitted Liens;

- (xiii) certificates of insurance, dated no later than the Closing Date, showing the Administrative Agent as additional insured (in the case of liability insurance) and first loss payee (in the case of property insurance) in respect of the Assets with respect to insurance required to be maintained by the Borrower pursuant to Section 6.1(t);
 - (xiv) an opinion of counsel to the Credit Parties (other than Spicelo Limited and Stellion Limited) in Alberta addressed to the Administrative Agent and the Lenders relating to such matters as the Administrative Agent and the Lenders may require, acting reasonably;
 - (xv) all approvals, acknowledgments and consents of all Governmental Authorities and other Persons which are required to be obtained by any Credit Party in order to complete the transactions contemplated by this Agreement and to perform its obligations under any Credit Document to which it is a party;
 - (xvi) an Oil and Gas Ownership Certificate, duly executed by the Borrower;
 - (xvii) an Environmental Certificate, duly executed by the Borrower;
 - (xviii) an updated cash flow model and a pro forma Compliance Certificate which evidences compliance with the financial covenants set forth in Section 6.3;
 - (xix) financial projections (including the assumptions upon which such projections are based) for the 2022 and 2023 Financial Years of the Borrower;
 - (xx) the documentation and other information that is required by the Administrative Agent and the Lenders pursuant to Anti-Money Laundering/Anti-Terrorist Financing Laws and applicable "know your client" laws and regulations; and
 - (xxi) such other certificates, agreements and documentation as the Administrative Agent and/or the Lenders may reasonably request;
- (b) the Lenders have completed, to their satisfaction in their sole and absolute discretion, a due diligence review of the Credit Parties, the Business, the Assets of the Credit Parties (including title to the Assets and the environmental condition of the Assets), the Material Agreements and any other matters relating thereto or in connection therewith as determined or required by the Lenders in their sole and absolute discretion;
- (c) the Borrower does not have any Debt other than Permitted Debt, and the Administrative Agent shall have received releases and discharges with respect to all Liens affecting the Collateral which are not Permitted Liens and payout letters from creditors with respect to any Debt of the Credit Parties which is not Permitted Debt;
- (d) satisfactory review by the Lenders, in their sole and absolute discretion, of all of the Material Agreements and of all employment and compensation arrangements between the Borrower, GPCM or GPHC and their respective senior management and directors;
- (e) the Security Documents granted by the Credit Parties shall create first ranking priority Liens on the Collateral, subject to Permitted Liens, and all documents, instruments, financing statements and security notices shall have been properly registered, recorded and filed in all jurisdictions as the Lenders may require (other than registrations against Spicelo Limited and Stellion Limited made in Cyprus);

- (f) subordination and postponement on terms satisfactory to each of the Lenders of all related party indebtedness of the Borrower;
- (g) the Lenders shall have received a funds flow memorandum or other document in respect of the Acquisition which confirms all of the sources and uses of the Borrower's funds for purpose of completing the Acquisition, and the Lenders shall be satisfied that the Borrower has sufficient sources of funds in order to pay the Purchase Price in full and complete the Acquisition in accordance with the provisions of the Acquisition Agreement;
- (h) the payment of all fees and expenses which are then due by the Borrower to the Administrative Agent and the Lenders under or in connection with the execution and delivery of this Agreement;
- (i) the Notice of Advance will have been delivered in accordance with the provisions of Section 2.4 (which Notice of Advance shall contain a direction by the Borrower as to where to fund the Advance) and the terms and conditions thereof shall have been fully complied with;
- (j) each of the representations and warranties set out in Article 5 will be true and correct with the same effect as if such representations and warranties had been made on the date of the Advance;
- (k) no Default or Event of Default will have occurred and be continuing on the date of the Advance, nor will a Default or Event of Default arise as a result of the making of the Advance;
- (l) the Advance will not violate any Applicable Law, judgment or order; and
- (m) there has not occurred any material adverse change in the Business, operations, property, profits or prospects of any of the Credit Parties that has, or could be reasonably expected to have, a Material Adverse Effect.

Section 4.2 Deemed Representation and Warranty.

The giving of the Notice of Advance by the Borrower and the acceptance by the Borrower of the Advance shall be deemed to constitute a representation and warranty by the Borrower that, on the date of the Notice of Advance or Advance, as the case may be, and after giving effect to it and to the application of any proceeds from it, the statements and conditions set forth in Section 4.1 are true and correct and/or have been complied with or satisfied.

Section 4.3 No Waiver.

The making of the Advance or otherwise giving effect to the Notice of Advance without the fulfilment of one or more conditions set forth in Section 4.1 shall not constitute a waiver of any condition and the Administrative Agent reserves the right to require fulfilment of any such condition.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties.

The Borrower represents and warrants to the Administrative Agent and the Lenders, acknowledging and confirming, in each case, that the Administrative Agent and the Lenders are relying on such representations and warranties without independent inquiry in entering into this Agreement and providing the Advance that:

- (a) **Incorporation and Qualification.** Each Credit Party is a corporation duly incorporated, amalgamated, organized and validly existing under the laws of its jurisdiction of incorporation, amalgamation or organization as set forth in Schedule 5.1(a). Each such Credit Party is qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it carries on business and in which such qualification, licensing or registration is necessary or where failure to be so qualified would have a Material Adverse Effect;
- (b) **Corporate Power.** Each of the Credit Parties has all requisite corporate power and authority to (i) own, lease and operate its properties and Assets and to carry on its business as now being conducted by it, (ii) enter into and perform its obligations under the Credit Documents and each of the Material Agreements to which it is a party and (iii) incur the Obligations, the Swap Obligations and the Tamarack Obligations;
- (c) **Conflict with Other Instruments.** The execution, delivery and performance by each Credit Party of each of the Credit Documents to which it is a party, in each case, do not (i) conflict with, violate or result in a breach of any of the terms or conditions of (u) its articles of incorporation or by-laws, partnership agreement or other constating or organizational documents, as applicable, (v) any Applicable Law, (w) any contractual restriction binding on or affecting such Credit Party or such Credit Party's respective Assets, or (x) any Material Agreement, or (ii) result in, require or permit (x) the imposition of any Lien in, on or with respect to any of such Credit Party's Assets (except in favour of the Lender), (y) the acceleration of the maturity of any Debt binding on or affecting any such Credit Party, or (z) any third party to terminate or acquire rights under any Material Agreement;
- (d) **Corporate Action, Governmental Approvals, etc.** The execution, delivery and performance by each Credit Party of each of the Credit Documents and each of the Material Agreements to which it is a party:
 - (i) have been duly authorized by all necessary corporate, partnership, trust and other action, as applicable; and
 - (ii) are within its corporate, partnership or trust power and capacity, as applicable; and
 - (iii) do not require any Authorization of or advance notice to or advance filing with any Governmental Authority except those which have already been made or obtained and which are in full force and effect;
- (e) **Execution and Binding Obligation.** This Agreement and the other Credit Documents have been duly executed and delivered by each Credit Party which is a party thereto and constitute legal, valid and binding obligations of such Credit Party enforceable against such Credit Party in accordance with their respective terms, subject only to any limitation under Applicable Law relating to (i) bankruptcy, insolvency, arrangement or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies;
- (f) **Authorizations, etc.** All regulatory and other Authorizations necessary for each Credit Party to carry on its business, as currently carried on, and all approvals, consents, permits and licenses necessary for each Credit Party to enter into the Credit Documents to which it is a party and perform its obligations thereunder have, in each case, been obtained and are in good standing except to the extent that the failure to so obtain or maintain in good standing would not reasonably be expected to have a Material Adverse Effect;

- (g) **Insurance.** The Borrower has in full force and effect such policies of insurance in such amounts issued by such insurers of recognized standing covering the Assets of the Borrower as required by this Agreement;
- (h) **Business Operations.** All property and Assets owned or operated by the Borrower has been and will continue to be operated and maintained, as the case may be, in a good and workmanlike manner in accordance with sound industry practice and in accordance with all Applicable Laws, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (i) **Ownership and Use of Property.** Following the Acquisition Closing, the Borrower has good and valid fee simple title to the Owned Properties, and with respect to Leased Properties, good and valid title to the leasehold estate with respect thereto, pursuant to valid and enforceable leases, free and clear of all Liens except Permitted Liens. No Assets of the Borrower are held by the Borrower in trust for any other Person or as nominee for and on behalf of any other Person. The Borrower owns, leases or has the lawful right to use all of the Assets necessary for the conduct of its business at full operating capacity. Each of the Subject Properties including the Building and Fixtures thereon, and their use, operation and maintenance for the purpose of carrying on the Business is in compliance with any applicable restrictive covenant and Applicable Law except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to have Material Adverse Effect. The Borrower is entitled to charge or pledge its interests in its Assets in favour of the Collateral Agent, for the benefit of the Secured Parties, as provided in this Agreement without the need to obtain any consent of or release from any other Person which has not been obtained and such property is not held in trust by the Borrower for any Person;
- (j) **Leases.** The Borrower enjoys peaceful and undisturbed possession under all Leases material to its business to which it is a party and under which it is operating, and all of such Leases are valid and subsisting and no material default by the Borrower exists under any of them;
- (k) **Condition of Assets.** The technology and communications hardware and other tangible personal property (including all equipment) of the Borrower are in reasonably good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put, reasonable wear and tear excepted;
- (l) **Work Orders.** There are no outstanding work orders relating to the Owned Properties from or required by any Governmental Authority of which the Borrower has knowledge, nor does the Borrower have notice of any possible impending or future work order;
- (m) **Expropriation.** Following the Acquisition Closing, no part of any of the Subject Properties of the Borrower or the Buildings and Fixtures located on such real property has been taken or expropriated by any Governmental Authority, no written notice or proceeding in respect of an expropriation has been given or commenced nor is the Borrower aware of any intent or proposal to give any such notice or commence any proceedings;
- (n) **Compliance with Applicable Law.** Each Credit Party is in compliance with all Applicable Laws, except where the failure to be in compliance could not reasonably be expected to have a Material Adverse Effect;
- (o) **Taxes.** The Borrower is a resident of Canada for the purposes of the Tax Act. The Borrower has filed all tax returns which are required to be filed and have paid all material Taxes (including interest and penalties) which are due and payable, except where the validity or amount thereof is being contested by a Permitted Contest. All of the material remittances required to be made by the Borrower to the applicable federal, provincial or

municipal governments have been made, are currently up to date and there are no outstanding arrears;

(p) **Environmental Laws.** Except as otherwise disclosed in Schedule 5.1(p):

- (i) the use and operation of the Assets have at all times complied in all material respects with all Environmental Laws and neither the Borrower nor any of its Assets is subject to any enforcement order from or liability agreement with any Governmental Authority or other Person respecting (A) compliance with any Environmental Law or (B) any liability, costs or remedial action, or potential liability, cost or remedial action, arising from the release or threatened release of a Contaminant;
- (ii) all Authorizations, if any, required to be obtained or filed by the Borrower in connection with the operation or use of any and all Assets, including but not limited to past or present treatment, transportation, storage, disposal or release of Contaminants into the environment, have been duly obtained or filed and are being complied with, except to the extent the failure to obtain or file such notices, permits, licenses or similar authorizations or such non-compliance could not reasonably be expected to have a Material Adverse Effect, or which could not reasonably be expected to result in remedial obligations having a Material Adverse Effect;
- (iii) all Contaminants generated at any and all Assets of the Borrower have been treated, transported, stored and disposed of only in accordance with all Environmental Laws applicable to them, except to the extent the failure to have such Contaminants transported, treated or disposed of by such carriers could not reasonably be expected to have a Material Adverse Effect, and only at treatment, storage and disposal facilities maintaining valid permits under applicable Environmental Laws, which carriers and facilities have been and are operating in compliance with such permits, except to the extent the failure to have such Contaminants treated, transported, stored or disposed of at such facilities, or the failure of such carriers or facilities to so operate, could not reasonably be expected to have a Material Adverse Effect or which could not reasonably be expected to result in remedial obligations having a Material Adverse Effect;
- (iv) the Borrower has taken all reasonable steps necessary to determine and have determined that no Contaminants have been disposed of or otherwise released and there has been no threatened release of any Contaminants on or to any Assets of the Borrower other than in compliance with Environmental Laws, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect or which could not reasonably be expected to result in remedial obligations having a Material Adverse Effect;
- (v) none of the present or past operations of the Borrower is the subject of any investigation by any Governmental Authority evaluating whether any remedial action is needed to respond to a release or threatened release of a Contaminant;
- (vi) the Borrower has not entered into any negotiations or settlement agreements with any Person (including the prior owner of any property which the Borrower owns) which would impose material obligations or liabilities on the Borrower with respect to any remedial action in response to the release by the Borrower of a Contaminant or environmentally related claim;
- (vii) no written notice under any Applicable Law, including any Environmental Law, has been provided to the Borrower in respect of any of its Assets indicating past

- or present treatment, storage or disposal of a Contaminant or reporting an actual or threatened spill or release of a Contaminant into the environment;
- (viii) the Borrower does not generate, transport, treat or dispose of any Contaminants except in compliance in all material respects with Applicable Law;
 - (ix) the Borrower has no material contingent liability in connection with any release or threatened release of any Contaminants into the environment except contingent liabilities which could not reasonably be expected to result in remedial obligations having a Material Adverse Effect; and
 - (x) the Borrower has provided to the Administrative Agent complete and correct copies of all environmental site assessment reports, investigations, studies, analyses, and correspondence on environmental matters (including matters relating to any alleged non-compliance with or liability under Environmental Laws) that are in the Borrower's possession or control and relating to its Assets or operations thereon;
- (q) **Off-Balance Sheet Transactions.** There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of GPCM, GPHC or the Borrower with unconsolidated entities or other Persons that may have a material current or future effect on the financial condition, changes in financial condition, results of operations, earnings, cash flow, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of GPCM, GPHC or the Borrower on a consolidated basis or that would reasonably be expected to be material to an investor;
- (r) **Pension Plans.** The Borrower does not have any Pension Plan;
- (s) **Marketing of Production.** Except for the Commercial Agreement, there are no contracts pursuant to which the Borrower is receiving a fixed price for all production sold thereunder which are not cancelable or terminable by the Borrower on not more than sixty (60) days' notice without penalty or detriment for the sale of production of the Borrower's Petroleum Substances (including, without limitation, calls on or other rights to purchase, production, whether or not the same are currently being exercised);
- (t) **Material Agreements, etc.** All Material Agreements are in full force and effect, unamended. The Borrower is in compliance with all Material Agreements to which it is a party, and neither the Borrower or, to the Borrower's knowledge, any other party to any Material Agreement has defaulted under any of such Material Agreements. To the knowledge of the Borrower, no event has occurred which, with the giving of notice, lapse of time or both, would constitute a default under, or in respect of, any Material Agreement to which the Borrower is a party and there is no material dispute regarding any Material Agreement to which it is a party;
- (u) **Labour Matters.** The Borrower is not a party to any collective bargaining agreement and to the knowledge of the Borrower, after due inquiry, no union organizing activity is taking place with respect to any of the employees of the Borrower;
- (v) **Books and Records.** All books and records of each of the Borrower have been fully, properly and accurately kept and completed in accordance with GAAP, where applicable, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;

- (w) **Corporate Structure.** At the date of this Agreement:
- (i) there are no Subsidiaries of the Borrower;
 - (ii) the authorized and issued capital of GPCM, GPHC and the Borrower is as described on Schedule 5.1(w);
 - (iii) the Borrower does not own any Equity Securities, and is not, directly or indirectly, a member of, or a partner or participant in, any partnership, joint venture or syndicate other than as disclosed on Schedule 5.1(w);
 - (iv) GPCM is the direct legal and beneficial owner of all issued and outstanding Equity Securities in the capital of GPHC;
 - (v) GPHC is the direct legal and beneficial owner of all issued and outstanding Equity Securities in the capital of the Borrower, other than any warrants issued to the Lenders;
 - (vi) the GPCM Shareholder Guarantors are the direct legal and beneficial owners of all issued and outstanding Equity Securities in the capital of GPCM; and
 - (vii) Schedule 5.1(w) provides a complete and accurate list of:
 - (A) the jurisdictions of formation of each Credit Party;
 - (B) the chief executive office of each Credit Party;
 - (C) the registered office or head office of each Credit Party (as set forth in their respective letters patent, articles or other constating instrument or bylaws);
 - (D) the location of each Credit Parties' respective business and Assets; and
 - (E) the trade names of each Credit Party, if any;
- (x) **Financial Statements.** The most recent audited consolidated financial statements of the Borrower from time to time delivered to the Administrative Agent and the Lenders were prepared in accordance with GAAP and such financial statements present fairly in all material respects the Borrower's consolidated financial position as at the date thereof. Since the date of such audited financial statements, there has been no occurrence of any event, circumstance, development or other changes in fact which would, in the aggregate reasonably be expected to have a Material Adverse Effect;
- (y) **Debt.** The Borrower has not created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, it is now or may hereafter become liable for any Debt other than Permitted Debt;
- (z) **Solvency.** The Borrower is Solvent;
- (aa) **Security.** Each of the Security Documents to which a Credit Party is a party is effective to create in favour of the Collateral Agent, for the benefit of the Secured Parties, legal, valid and perfected first priority Liens in the Assets of such Credit Party subject to such Liens under such Security Documents (subject only to Permitted Liens which rank by law in priority);

- (bb) **Liens.** There are no Liens on the Borrower's Assets, other than Permitted Liens, nor will the entering into and performance by any Credit Party of the Credit Documents create a Lien, other than a Permitted Lien;
- (cc) **No Litigation.** There are no actions, suits or proceedings before or by any Governmental Authority existing or pending, or to the best of the Borrower's knowledge threatened, to which the Borrower is, or to the Borrower's knowledge is threatened to be made, a party and the result of which would, if successful against it, reasonably be expected to have a Material Adverse Effect;
- (dd) **No Default or Event of Default.** No Default or Event of Default has occurred and is continuing;
- (ee) **Acquisition.** The Acquisition Documents contain all the material terms of the Acquisition. As of the Closing Date the Acquisition Agreement has not been amended without the prior written consent of all of the Lenders;
- (ff) **No Breach of Orders, etc.** The Borrower is not in breach of:
 - (i) any Authorization or mandatory requirement or directive of any Governmental Authority;
 - (ii) any governmental licence or permit; or
 - (iii) any Applicable Law,the breach of which could reasonably be expected to have a Material Adverse Effect;
- (gg) **No Material Adverse Effect.** No event or circumstance has occurred and is continuing which has had or would reasonably be expected to have a Material Adverse Effect.
- (hh) **Anti-Terrorism, Anti-Corruption Laws.**
 - (i) No part of the proceeds of the Advance will be used, directly or, to the knowledge of the Borrower or any Subsidiary after due inquiry, indirectly, to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person in any manner that would result in any violation by any person (including the Lender) of (A) any Sanctions or (B) applicable regulations, rules and executive orders administered by any Sanctions Authority;
 - (ii) None of the Borrower nor any of its Subsidiaries (A) is, or will become a Sanctioned Person or (B) knowingly, after due inquiry, engages or will engage in any dealings or transactions, or is or will be otherwise knowingly, after due inquiry, associated, with any Sanctioned Person that would result in any violation of (x) any Sanctions or (y) applicable regulations, rules and executive orders administered by any Sanctions Authority;
 - (iii) Each of the Borrower and its Subsidiaries is, and has conducted its business, in compliance with all, and shall not be prohibited by, Sanctions and all other applicable regulations, rules and executive orders administered by any Sanctions Authority;
 - (iv) To its knowledge, after due inquiry, each of the Borrower and its Subsidiaries is, and has conducted its business, in compliance in all material respects with all Anti-Money Laundering/ Anti-Terrorist Financing Laws;

- (v) The Borrower and its Subsidiaries, to the Borrower's knowledge after due inquiry, are not the subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any Anti-Corruption Laws or Anti-Money Laundering/ Anti-Terrorist Financing Laws in which there is a reasonable possibility of an adverse decision and, to the Borrower's knowledge after due inquiry, no such investigation, inquiry or proceeding is pending or has been threatened;
- (vi) Each of the Borrower and its Subsidiaries:
 - (A) has implemented adequate internal procedures designed to ensure it shall not authorize the giving or offering of any financial or other advantage with the intention of inducing or rewarding an individual or entity to improperly perform an activity undertaken in the course of an individual's employment or connected to an entity's business activities (the "**Anti-Corruption Controls**"); and
 - (B) has not authorised and it will not authorize, in connection with the performance of this Agreement and the other Credit Documents, any financial or other advantage to or for the benefit of any public official, civil servant, political party, political party official, candidate for office, or any other public or private individual or entity where such authorization would violate the Anti-Corruption Controls.
- (vii) Each of the Borrower and its Subsidiaries is, and has conducted its business, in compliance in all material respects with all Anti-Corruption Laws. No part of the proceeds of any Advance has been used or will be used, directly or, to the knowledge of the Borrower or any Subsidiary after due inquiry, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in a governmental capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Corruption Laws; and
- (viii) The Borrower and its Subsidiaries have policies and procedures in place to ensure that each of the foregoing representations and warranties in this Section 5.1(hh) are true and correct at all times;
- (ii) **Abandonment/Reclamation Orders.** The Borrower is in compliance in all material respects with Applicable Law relating to any abandonment and reclamation obligations, liabilities or activities including, without limitation, any outstanding Abandonment/Reclamation Orders; and
- (jj) **Disclosure.** All (i) forecasts and projections supplied by or on behalf of the Borrower to the Lenders were (if prepared by the Borrower) or were, to the best of the knowledge of the Borrower (if prepared by Persons other than the Borrower) prepared in good faith, based upon reasonable assumptions at the date of preparation, and (ii) other written information supplied to the Lenders by or on behalf of the Borrower is (if prepared by the Borrower) or is, to the best of the knowledge of the Borrower (if prepared by Persons other than the Borrower, including, without limitation, in connection with the Acquisition) true and accurate in all material respects and does not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements contained in such written information not misleading in light of the circumstances under which such statements were made.

Section 5.2 Survival of Representations and Warranties.

- (1) The representations and warranties in this Agreement and in any certificates or documents delivered to the Administrative Agent, for the benefit of the Lenders, shall not merge in or be prejudiced by and shall survive the Advance and shall continue in full force and effect so long as any amounts are owing by the Borrower to the Lenders under this Agreement or any other Credit Document, it being understood that to the extent such representations and warranties relate solely to a specified earlier date they only need to be true and correct as of such date.
- (2) The representations and warranties in Section 5.1 will be deemed to be repeated by the Borrower on the date of delivery of any Notice of Advance by the Borrower, the acceptance by the Borrower of the Advance, the last day of each Financial Quarter, and the date of delivery of each Compliance Certificate, except to the extent that on or prior to such date the Borrower has advised the Administrative Agent and the Lenders in writing of a variation in any such representation or warranty, and the Administrative Agent and the Lenders have approved such variation in accordance with Section 10.1. Notwithstanding the foregoing, it is understood that to the extent such representations and warranties relate solely to a specified earlier date they only need to be true and correct as of such date.

ARTICLE 6 COVENANTS

Section 6.1 Affirmative Covenants.

So long as any amount owing under this Agreement remains unpaid, and unless consent is given by the Lenders in accordance with the provisions of this Agreement, each of the Borrower, GPCM and GPHC shall:

- (a) **Financial Reporting.** Deliver to the Administrative Agent and the Lenders, in each case, in form and substance satisfactory to the Administrative Agent and the Lenders:
 - (i) a copy of: (i) the Borrower's, GPCM's and GPHC's quarterly unaudited consolidated financial statements on or prior to 45 days after the end of each Financial Quarter in the Financial Year 2022 and on or prior to 30 days after the end of each Financial Quarter of each Financial Year thereafter; and (ii) the Borrower's, GPCM's and GPHC's annual audited consolidated financial statements and quarterly unaudited financial statements for the fourth Financial Quarter in each case, on or prior to 90 days after the end of each Financial Year;
 - (ii) copies of any material communications, reports, letters, notices, correspondence or writings received from or sent to its independent auditors, whether in connection with an ongoing audit or otherwise;
 - (iii) within 45 days after the end of each Financial Quarter in the Financial Year 2022 and within 30 days after the end of each Financial Quarter of each Financial Year thereafter days of the end of each Financial Quarter a Compliance Certificate certified by a senior financial officer of the Borrower;
 - (iv) within 10 days of the end of each calendar month a certificate of a senior financial officer of the Borrower setting for the Current Ratio as of the last day of such calendar month, and containing detail satisfactory to the Lenders of the calculation of the Current Ratio;
 - (v) within 30 days of the end of each Financial Quarter an Oil and Gas Ownership Certificate and an Environmental Certificate, each certified by a senior officer of the Borrower; and

- (vi) within 60 days prior to the end of each Financial Year, an annual operating and capital expenditure budget for the following Financial Year, which annual operating and capital expenditure budget must be approved by the Lenders;
- (b) **Additional Reporting Requirements.** The Borrower shall also deliver to the Administrative Agent and the Lenders:
 - (i) within 30 days following the end of each calendar month, a report of the lease operating and production performance of the Borrower's Assets (lease operating statements) including year to date figures, the gross oil and gas production, net production, total revenues, royalties and other burdens, operating expenses, capital expenditures, general and administrative expenses and net revenues, in a format acceptable to the Administrative Agent and the Lenders, acting reasonably;
 - (ii) as soon as practicable, and in any event within three days after the occurrence of each Default or Event of Default, a statement signed by a senior officer of the Borrower acceptable to the Administrative Agent and the Lenders setting forth the details of the Default or Event of Default and the action which the Borrower or such other Credit Party proposes to take or has taken;
 - (iii) from time to time upon request of the Administrative Agent or the Majority Lenders, and in any event at least annually, evidence of (A) the maintenance of all insurance required to be maintained pursuant to this Agreement, including copies of policies, certificates of insurance, riders, endorsements and proof of premium payments, and (B) the good standing of all Authorizations material to the Borrower;
 - (iv) from time to time upon request of the Administrative Agent or any Lender copies of all notices, reports and other documents sent to shareholders of the Borrower, GPHC or GPCM;
 - (v) promptly upon becoming aware thereof, a notice of (A) the threat of, or commencement of, any strike or lockout; (B) any work stoppage or other labour dispute in respect of the operations of the Borrower; (C) any breach or non-performance of, or any default of the Borrower under any material provision of any other Material Agreement; (D) any dispute, litigation, investigation, proceeding or suspension between the Borrower and any Governmental Authority; (E) the threat of, commencement of, or any material adverse development in, any action, suit, arbitration, investigation or other proceeding affecting the Borrower; (F) any claim, action, suit, litigation, arbitration or investigation which is threatened or pending against the Borrower or any Person in respect of the Acquisition Documents; (G) any matter to the extent that the same has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and (H) the discovery of any Contaminant or of any release of a Contaminant from or upon the land or property owned (either individually or jointly), operated or controlled by the Borrower;
 - (vi) on or prior to February 28 of each year, an Engineering Report, effective as of December 31 of the immediately preceding year and on or prior to August 31 of each year, an Engineering Report, effective as of June 30 of such year;
 - (vii) on or prior to April 30 of each year, effective as of March 31 of such year, and on or prior to October 31 of each year, effective as of September 30 of such year, a written update to the engineering and reserves information provided in the Engineering Report previously delivered pursuant to Section 6.1(b)(vi), prepared

by the internal engineering staff of the Borrower; such update to include such updated reserve information and other information and otherwise to be in form and substance as may be required by the Administrative Agent and the Lenders, each acting reasonably;

- (viii) on or prior to 60 days after the end of each Financial Quarter of the Borrower, a production and operating report, a drilling report and a drilling and workover program (including a report on all authorizations for expenditures then committed or contemplated), in each case in form and substance satisfactory to all of the Lenders;
- (ix) within 45 days after the end of each Financial Quarter in the Financial Year 2022 and within 30 days after the end of each Financial Quarter of each Financial Year thereafter, an updated cash flow model reflecting the most recently prepared Engineering Report or internally prepared engineering report prepared pursuant to Section 6.1(vii), prices, hedging and other production, cost and pricing matters, in each case in form and substance satisfactory to all of the Lenders;
- (x) within 120 days after the end of each Financial Year of the Borrower, (i) a decommissioning budget for the then current Financial Year period, which budget shall include a breakdown of the Borrower's expected abandonment and reclamation costs for such Financial Year period related to their current and expected active and inactive wells, pipelines and facilities, together with details of the calculation of the abandonment and reclamation obligations set out on the Borrower's balance sheet in its most recent annual audited consolidated financial statements delivered pursuant to this Agreement; and (ii) a decommissioning schedule for each of its active and inactive wells, pipelines and facilities, together with any supporting information that may be reasonably requested by the Administrative Agent or the Majority Lenders related thereto;
- (xi) concurrently with the delivery of each Compliance Certificate required to be delivered pursuant to this Agreement, the Borrower will furnish to the Administrative Agent, for the benefit of and remittance to the Lenders, an "LMR and Decommissioning Expense Worksheet" in form and substance satisfactory to all of the Lenders, acting reasonably, together with the information as to the amount the Borrower have expended on decommissioning expenses and how they have performed against the budgeted amount in the applicable decommissioning budget and schedule delivered to the Administrative Agent, for the benefit of and remittance to the Lenders, pursuant to this Agreement and management commentary in respect of any material deviations therefrom and any other matters related to changes in the Borrower's abandonment and reclamation policies;
- (xii) promptly furnish to the Administrative Agent, for the benefit of and remittance to the Lenders, after receipt thereof, any Abandonment/Reclamation Orders or other material notices related to any directives, rules, regulations or other orders issued by any applicable Energy Regulator in respect of or otherwise affecting the P&NG Leases, P&NG Rights or related facilities or assets of the Borrower, in each case, together with a calculation of the estimate of expenditures required in order to comply with such Abandonment/Reclamation Orders;
- (xiii) within 45 days after the end of each Financial Quarter in the Financial Year 2022 and within 30 days after the end of each Financial Quarter of each Financial Year thereafter, a report as to compliance with the annual operating and capital expenditure budget for such Financial Year, together with a variance report and any requested updates to the annual operating and capital expenditure budget

approved by the Lenders hereunder; provided, however, that the annual operating and capital expenditure budget approved by the Lenders hereunder shall not be modified without the prior written consent of the Lenders;

- (xiv) such other material information respecting the condition or operations, financial or otherwise, of the Business or the Borrower as the Administrative Agent or the Majority Lenders may from time to time reasonably request;
- (xv) promptly upon becoming aware thereof, notice of any information it receives with regard to any type or item of Collateral which could reasonably be expected to have a Material Adverse Effect on the value of the Collateral as a whole or the rights and remedies of the Administrative Agent and the Lenders with respect thereto; and
- (c) **Payments.** The Borrower shall duly and punctually pay or cause to be paid to the Administrative Agent and the Lenders all principal, interest, fees and other amounts payable hereunder and under the Credit Documents on the dates, at the places, and in the amounts and manner set forth in such documents;
- (d) **Corporate Existence.** Except as otherwise permitted in this Agreement, the Borrower will do or will cause to be done all things necessary to preserve and keep in full force and effect each Credit Party's existence in good standing under the Applicable Laws of its jurisdiction of creation;
- (e) **Permitted Uses.** The Borrower shall use the proceeds of the Advance hereunder only for the purposes permitted pursuant to Section 2.3;
- (f) **Compliance with Applicable Law, etc.** The Borrower shall comply in all material respects with the requirements of all Applicable Law (including Environmental Laws). The Borrower shall obtain and maintain all Authorizations necessary to the ownership of its property and to the conduct of its business in each jurisdiction where it carries on material business or owns material property, including those issued or granted by Governmental Authorities, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect;
- (g) **Environmental Investigations.** The Borrower shall, promptly, if the Administrative Agent or the Majority Lenders have a good faith concern that a discharge of a Contaminant has occurred or a condition exists on any Assets that could reasonably be expected to have a Material Adverse Effect, cause to be conducted such environmental investigations (including, without limitation, environmental site assessments and environmental compliance reviews) as are reasonably required by the Administrative Agent or the Majority Lenders, on the basis of a duly qualified environmental consultant approved by the Administrative Agent or the Majority Lenders. The reasonable costs of such investigations will be for the account of the Borrower, provided that the Administrative Agent and the Majority Lenders will carry out such audit in consultation with the Borrower to expedite its completion in a cost-effective manner. Should the result of such audit indicate that the Borrower is in breach, or with the passage of time will be in breach, of any Environmental Laws and such breach or potential breach could reasonably be expected to have, in the opinion of the Administrative Agent or the Majority Lenders, acting reasonably, a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Administrative Agent or such Lender under the Credit Documents, the Borrower will forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Administrative Agent fully advised of the actions it intends to take and has taken to rectify such breach or potential breach and the progress it is making in rectifying same. Following the occurrence of an Event of Default which is

continuing, the Administrative Agent or such Lender will be permitted to retain, for the account of the Borrower (to the extent such account is reasonable), the services of a consultant to monitor the Borrower's compliance with this Section 6.1(g);

- (h) **Maintenance of Subject Properties.** The Borrower shall (i) maintain, preserve and protect the Assets in good working order and condition, taking into consideration the character, age and use thereof, ordinary wear and tear excepted; (ii) make all necessary repairs, renewals, replacements, additions and improvements to its Assets, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; (iii) use the standard of care typical in the industry of the Borrower in the operation and maintenance of its Assets (including its P&NG Rights); (iv) maintain good and valid title to its Assets; and (v) do all things necessary to defend, protect and maintain its Assets and the Security Documents (and the priority thereof) from all material adverse claims where the failure to do so in the opinion of the Administrative Agent and the Lenders, acting reasonably, threatens the intended priority or validity of the Security Documents as herein provided, or would reasonably be expected to have a Material Adverse Effect. The Borrower shall maintain all tangible personal property in good repair and working order and in a manner consistent with industry practice;
- (i) **Operation of Properties.** The Borrower will operate its respective property, or, if it is not the operator, use reasonable efforts to ensure that such property is operated, in accordance with sound industry practice and in accordance in all respects with Applicable Law;
- (j) **Material Agreements.** The Borrower will perform its obligations under the Credit Documents, all other Material Agreements and any other agreements relating to its properties, including payment of rentals, royalties, Taxes or other charges in respect thereof which are necessary to maintain all such agreements in good standing, except to the extent that the failure to comply with such other agreements could not reasonably be expected to have a Material Adverse Effect;
- (k) **Compliance with P&NG Leases.** The Borrower shall comply in all respects with the P&NG Leases relating to P&NG Rights, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect;
- (l) **Payment of Taxes and Claims.** The Borrower shall pay or cause to be paid when due, (i) all Taxes imposed upon the Borrower or upon its income, sales, capital or profit or any other Assets belonging to it before the same becomes delinquent or in default, and (ii) all claims which, if unpaid, might by Applicable Law become a Lien upon the Assets of the Borrower, except any such Tax which is being contested in good faith and by proper proceedings and in respect of which the Borrower has established adequate reserves in accordance with GAAP;
- (m) **Payment of Royalties and other Preferred Claims.** The Borrower shall pay or cause to be paid all royalties, overriding royalties, rents, rates, Taxes, levies or assessments, ordinary or extraordinary, governmental fees or dues, and to make and remit all withholdings, lawfully levied, assessed or imposed upon the Borrower or any Assets of the Borrower, as and when the same become due and payable. The Borrower shall also from time to time pay when due or cause to be paid when due all amounts related to wages, workers' compensation obligations, pension fund obligations and any other amount which would or would reasonably be expected to result in a Lien against the assets of the Borrower arising under statute or regulation;
- (n) **Protection of Security.** The Borrower will do all things reasonably requested by the Administrative Agent, the Collateral Agent or any Lender to protect and maintain the Security Documents and the priority thereof in relation to other Persons;

- (o) **Property Loss Event.** If the Borrower suffers a Property Loss Event with respect to any of its Assets, which results in the receipt of property insurance proceeds in excess of \$1,000,000 (in this Section 6.1(o), the “**Loss Amounts**”), the Borrower shall deal with the Net Proceeds of the applicable insurance proceeds in accordance with Section 2.5(4)(c). Such Property Loss Event will be deemed to be disposition of such Assets under this Agreement if the Loss Amounts are not reinvested as contemplated by Section 2.5(4)(c);
- (p) **LMR.** The Borrower shall, and shall cause each of the Credit Party to, maintain an LMR of not less than 2.00 in each Applicable LMR Jurisdiction, as applicable;
- (q) **Compliance with Abandonment and Reclamation Obligations.** The Borrower shall comply in all material respects with Applicable Law relating to abandonment and reclamation obligations, liabilities or activities including, without limitation, any outstanding Abandonment/Reclamation Orders;
- (r) **Decommissioning Budget.** The Borrower shall comply with the most recent Decommissioning Budget delivered to the Administrative Agent, for the benefit of and remittance to the Lenders, pursuant to this Agreement, subject to a maximum permitted aggregate negative variance of 10% of the aggregate annual forecasted total budget amount;
- (s) **Inspections and Records.** The Borrower will maintain books and records of account in accordance with GAAP and Applicable Law; and permit representatives of any Lender, at the Borrower's expenses, to visit and inspect any property of any of the Borrower and to examine and make abstracts from any books and records of the Borrower at any reasonable time during normal business hours and upon reasonable request and notice, and subject to compliance with the Borrower's health and safety requirements, and to discuss the business, property, condition (financial or otherwise) and prospects of the Borrower with their senior officers and (in the presence of such representatives, if any, as it may designate) with its independent chartered accountants;
- (t) **Maintenance of Insurance.** The Borrower shall maintain with financially sound and reputable insurance companies not Affiliates of any Credit Party, in respect of the Borrower, and at all times, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, including but not limited to, commercial property insurance, all risks property damage, commercial general liability, worker's compensation, business interruption and other insurance, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons and any other insurance required in accordance with the Commercial Agreement. The policies or certificates of insurance evidencing such insurance coverage must show the Administrative Agent as additional insured (in the case of liability insurance) and first loss payee under a mortgage clause in a form acceptable to the Majority Lenders in respect of the Assets. The policies for such insurance shall provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Administrative Agent of written notice thereof;
- (u) **Anti-Money Laundering/Anti-Terrorist Financing Laws.** The Borrower shall conduct its business operations such that, and have policies and procedures in place to ensure that, the representations and warranties in Section 5.1(hh) are true and correct at all times that this Agreement is in effect (and not just at, and as of, the times such representations and warranties are made or deemed to be made). The Borrower shall promptly provide all information in respect of the Borrower, its respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Borrower, including supporting documentation and other evidence, as may be reasonably requested by the Administrative Agent or any Lender, in order to comply with

any applicable Anti-Money Laundering/Anti-Terrorist Financing Laws or such other applicable “know your client” laws and requirements, whether now or hereafter existence;

- (v) **Acquisition Documents.** The Borrower shall promptly pay or cause to be paid all amounts payable by the Borrower under the Acquisition Documents as and when they become due. The Borrower shall take all reasonable and practical steps to preserve and enforce its rights and pursue any claims, damages, payments, recoveries and remedies arising under any Acquisition Documents, including taking all steps necessary to pursue any claims or actions in respect of a breach of any Acquisition Document (including any breach of a representation or warranty therein);
- (w) **Swap Agreement.** As of the Closing Date the Borrower shall have entered into the Permitted Swap Agreement with respect to the production from the Tamarack Assets and such Permitted Swap Agreement shall hedge, in the aggregate, notional volumes of at least 85% of its 12 month projected oil and gas production, 75% of its 13 to 24 month projected oil and gas production and 50% of its 25 to 36 month projected oil and gas production based upon the Proved Developed Producing Reserves in the most recent Engineering Report delivered to the Lenders. In addition, the Borrower shall on or prior to the last day of each Financial Quarter enter into and maintain at all times Swap Agreements in form and substance satisfactory to the Lenders for the consecutive 18 calendar month period commencing from such Financial Quarter, which hedge, in the aggregate, notional volumes of at least 85% of its 12 month projected oil and gas production, 75% of its 13 to 24 month projected oil and gas production and 50% of its 25 to 36 month projected oil and gas production based upon the Proved Developed Producing Reserves in the most recent Engineering Report delivered to the Lenders;
- (x) **Post-Closing.**
 - (i) Within 15 Business Days after the Closing Date, the Borrower shall:
 - (A) deliver an opinion of counsel to Spicelo Limited and Stellion Limited in Cyprus addressed to the Administrative Agent, the Collateral Agent and the Lenders relating to such matters as the Lenders may require; and
 - (B) ensure that all documents, instruments, financing statements and security notices shall have been properly registered, recorded and filed against Spicelo Limited and Stellion Limited in Cyprus as the Lenders may require;
 - (ii) Within 60 days following the Closing Date (or such longer date as is agreed to by the Majority Lenders), the Borrower shall obtain the Blocked Account Agreement duly executed by each party thereto (including the depository bank in respect of the Collection Account); and
 - (iii) On or before August 31, 2022, the Borrower and GPCM shall deliver:
 - (A) a unanimous shareholder agreement among the GPCM Shareholder Guarantors and GPCM in form and substance satisfactory to the Administrative Agent and the Lenders, acting reasonably (the “**GPCM USA**”), duly executed by all parties thereto; and
 - (B) an agreement among the GPCM Shareholder Guarantors and the Lenders pursuant to which the GPCM Shareholder Guarantors shall have covenanted and agreed, that for so long as the Lenders (or any of them) is a shareholder and/or a warrant holder of GPHC, not to amend

the GPCM USA in a manner adverse to the Lenders (or any of them) in the sole discretion of the Lenders (or any of them) in their capacity as shareholders and/or warrant holders of GPHC, duly executed by the GPCM Shareholder Guarantors.

- (y) **Use of Available Cash to Comply with Liquidity Covenant.** At all times the Borrower shall use any and all available Excess Cash Flow (in this instance, calculated without reduction contemplated in paragraph (b)(v) of the definition of Excess Cash Flow) in order to retain the amount of cash required to satisfy the covenant set forth in Section 6.3(d).
- (z) **Right of First Opportunity.** GPCM, GPHC and the Borrower shall provide the Lenders with the right of first opportunity to provide financing to GPCM, GPHC or the Borrower, or any of their respective Affiliates, for the purpose of either refinancing any Permitted Debt or for the purpose of financing any further acquisitions of assets or property by either GPCM, GPHC, the Borrower or any of their respective Affiliates. If, within 10 Business Days after a request in writing from GPCM, GPHC or the Borrower to provide an offer for such financing, the Lenders either:
 - (i) decline to deliver a written expression of interest; or
 - (ii) fail to respond to such request; or
 - (iii) deliver a written expression of interest (which, for greater certainty, can be delivered by electronic mail), but the parties, after negotiating in good faith, are (i) unable to finalize a discussion paper or term sheet (which, for greater certainty, may be non-binding) setting out the principal business terms with respect to such financing within a period of fifteen (15) Business Days following the delivery of the aforesaid expression of interest, or (ii) the parties execute a term sheet within such time but the Lenders fail to issue a commitment letter or credit agreement reflecting the terms agreed to therein within 30 days,

then GPCM, GPHC or the Borrower shall be entitled to obtain alternative financing from any other Person.

The Lenders agrees that they shall work together in good faith in determining whether to deliver a written expression of interest and, if an expression of interest is made, in negotiating and finalizing such written expression of interest and any resulting discussion paper, term sheet or other definitive loan documentation. The Lenders further agree that unless agreed otherwise by each of the Lenders, their respective commitments in any such financing shall be based upon their Rateable Portion hereunder. For certainty, if any Lender does not wish to proceed with delivering a written expression of interest, or after delivering a written expression of interest, does not wish to proceed with negotiating and finalizing a discussion paper, term sheet or other definitive loan documentation, then the other Lender shall be entitled to do so on whatever terms and conditions it wishes to do so; and

- (aa) **Further Assurances.** At the cost and expense of the Borrower, upon request of the Administrative Agent or any Lender, each Credit Party shall execute and deliver or cause to be executed and delivered to the Administrative Agent or such Lender such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Administrative Agent or such Lender to carry out more effectually the provisions and purposes of the Credit Documents. In addition, each Credit Party shall file and perfect any Security Document that requires filing in order to perfect; and promptly cure or cause to be cured any defects in the execution and delivery of any of the Credit Documents by a Credit Party or any defects in the validity or

enforceability of any of the Security Documents relating to a Credit Party and at its expense, execute and deliver or cause to be executed and delivered, all such agreements, instruments and other documents (including the filing of any financing statements or financing change statements) as the Administrative Agent or any Lender may consider necessary or desirable to protect or otherwise perfect the Security created by the Security Documents including without limitation any specific registrations with respect to Collateral of the Credit Parties.

The Administrative Agent will remit to the Lenders the documents, certificates and evidence required to be delivered by the Borrower for delivery to the Lenders within two (2) Business Days of receipt of same.

Section 6.2 Negative Covenants.

So long as any amount owing under this Agreement remains unpaid and, unless consent is given by the Lenders in accordance with the provisions of this Agreement, none of the Borrower, GPCM nor GPHC shall:

- (a) **Debt.** Create, incur, assume or suffer to exist any Debt except Permitted Debt;
- (b) **Liens.** Create, incur, assume or suffer to exist, any Lien on any Assets of such Credit Party, except Permitted Liens;
- (c) **Mergers, Etc.** Enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction;
- (d) **Dissolution, Etc.** Liquidate, dissolve or wind up or take any steps or proceedings in connection therewith;
- (e) **Hedging.** Enter into Swap Agreement, except for the Permitted Swap Agreement. The Borrower shall not terminate, restructure or unwind any commodity hedges, including pursuant to the Permitted Swap Agreement (other than the termination on the scheduled maturity date thereof). For certainty, no Swap Agreement (including the Permitted Swap Agreement) shall contain any requirement or obligation to post collateral, security or margin (other than pursuant to the Shared Security Documents granted by the Borrower and GPHC) without first obtaining the prior written consent of all of the Lenders and no Swap Agreement (including the Permitted Swap Agreement) shall be entered into for speculative purposes;
- (f) **Financial Assistance.** Provide any Financial Assistance to any Person other than pursuant to the Credit Documents;
- (g) **Disposal of Assets.** Sell, assign, farm-out, convey, grant a royalty, exchange, lease, release or abandon or otherwise effect a Disposition of, any Assets or properties (including sale-leaseback transactions) to any Person other than (i) the sale of Petroleum Substances in the ordinary course of business; (ii) property or assets (other than securities) which have no material economic value in the Business or business or are obsolete or worn out; and (iii) Dispositions of Assets with an aggregate fair market value of less than \$1,000,000.00 in each Financial Year; provided, however, that there is no Default or Event of Default then continuing and no Default or Event of Default could arise from such Disposition and further provided that the pro forma LMR of the Borrower or any Credit Party in each Applicable LMR Jurisdiction, as applicable, after giving effect to such Disposition, is not less than 2:00;
- (h) **Acquisition of Assets.** The Borrower will not, directly or indirectly, make any acquisition of P&NG Leases, P&NG Rights or other facilities or Assets, or any Equity Securities in

any Person, in each case, without the prior written consent of all of the Lenders, in their sole and absolute discretion; provided, however, that, for certainty (and without limiting the foregoing), in no event shall any acquisition be permitted if the *pro forma* LMR of the Borrower or any Credit Party in each Applicable LMR Jurisdiction, as applicable, after giving effect to such acquisition, is less than 2.00;

- (i) **Capital Expenditures.** Make any capital expenditures except for: (i) capital expenditures set forth in the budget approved by the Lenders under Section 6.1(b)(xiii) capital expenditures required in an emergency situation where such capital expenditure must be made on an immediate basis (without time to seek the approval of the Lenders) and which capital expenditure must be made in order to protect or preserve, in all material respects, the physical condition or value of any material Asset of the Borrower;
- (j) **Transactions with Related Parties.** Directly or indirectly, enter into any agreement with, make any financial accommodation for, or otherwise enter into any transaction with, a Related Party except in the ordinary course of, and pursuant to the reasonable requirements of, business and at prices and on terms not less favourable to the Borrower than could be obtained in a comparable arm's length transaction with another Person, including entering into or assuming any employment, consulting or analogous agreement or arrangement with any of its or their directors or senior or executive officers or senior management;
- (k) **Change in Management, Financial Reporting, Etc.** Make any change in (i) senior management of the Borrower, GPCM or GPHC, (ii) the compensation arrangements of any senior officer or director of the Borrower, GPCM or GPHC, or (iii) the capital structure of the Borrower, GPCM or GPHC. In addition, none of the Borrower, GPCM or GPHC shall make any payments to any senior officers or directors of the Borrower, GPCM or GPHC except in accordance with employment or compensation agreements approved by all of the Lenders;
- (l) **Nature of Business.** Engage in any business other than the Business and such other lines of business as may be reasonably related or complementary thereto;
- (m) **Share Capital.** Issue any Equity Securities or permit or facilitate the transfer of any Equity Securities issued by the Borrower, GPCM or GPHC, except pursuant to any exercise of warrants granted to the Lenders;
- (n) **Change of Control;** Not permit any Change of Control to occur;
- (o) **New Subsidiaries.** Form or acquire any new Subsidiaries, or acquire Equity Securities in any Person;
- (p) **Distributions.** Declare, make or pay any Distributions;
- (q) **General and Administrative Expenses.** Incur, pay or make any general and administrative expenses which are in excess of the amounts set forth in the annual operating and capital expenditure budget approved by the Lenders under Section 6.1(a)(vi) and Section 6.1(b)(xiii);
- (r) **Investments.** Make any Investment in any Person or otherwise acquire (in one or a series of related transactions) any part of the property (whether tangible or intangible) of any Person (or agree to do any of the foregoing at any future time) other than:
 - (i) accounts receivable arising in the ordinary course of business;

- (ii) purchases and other acquisitions of goods and intangible property in the ordinary course of business; and
- (iii) the acquisition of P&NG Leases, P&NG Rights or any Petroleum Substances through farm-ins, poolings, purchases, quit claims, unitizations, working or royalty interests, independent operations or other operations under any operating agreement or otherwise as permitted in accordance with Section 6.2(h),

provided that, in each case, any property acquired thereby shall be subject to perfected or registered first priority Liens in favour of the Collateral Agent, for the benefit of the Secured Parties, free and clear of all Liens other than Permitted Liens;

- (s) **Payments of Tamarack Obligations.** Not pay all or any portion of the principal amount of the Tamarack Obligations until July 20, 2025 and not pay any interest due in respect of the Tamarack Obligations except at the times required pursuant to the Tamarack Promissory Note (as in effect on the date of this Agreement). Any payment of interest due in respect of the Tamarack Obligations may only be made in cash if: (i) the Borrower is able to make such payment from the remaining portion of the Excess Cash Flow available to it after: (A) having made (or having set aside the amount of Excess Cash Flow in order to make, when due) the payment required to be made pursuant to Section 2.5(3) for the Financial Quarter ending upon the same date such interest payment is due under the Tamarack Promissory Note, and (B) retaining such amount of cash as is expected to be required in order for the Borrower to continue to satisfy and perform all of its obligations under this Agreement (having regard to the most recent financial projections provided by the Borrower to the Lenders); (ii) the Borrower is, after such payment in cash is made, in compliance with the minimum Liquidity covenant in Section 6.3(d); and (iii) at the time of such payment there is no Default or Event of Default then continuing or which could reasonably be expected to occur as a result of making such payment. For certainty, to the extent that the Borrower is not entitled to make any interest payments under the Tamarack Promissory Note in cash, it shall pay such interest in kind as contemplated by the Tamarack Promissory Note (as in effect on the date of this Agreement);
- (t) **Pension Plans and Collective Bargaining Agreements.** Enter into any Pension Plans or collective bargaining agreements;
- (u) **Financial Year.** Change its Financial Year;
- (v) **Amendments.**
 - (i) Make or permit to be made any amendments or other modifications to any Material Agreement (including, without limitation, the Acquisition Agreement) or terminate, cancel or surrender any Material Agreement or any provision thereunder to which it is a party, except that the Borrower may make amendments to the Commercial Agreement if such amendments could not reasonably be expected to have a Material Adverse Effect or be adverse to the interests of the Administrative Agent, the Collateral Agent or any Lender under the Credit Documents;
 - (ii) (A) Amend or change any of its articles, by-laws or other constating documents or (B) enter into any agreement with respect to its Equity Securities restricting transfer of the same or that would be otherwise adverse to the interests of any Lender under the Credit Documents; and

- (iii) Change: (A) its name or trade name, (B) its registered office, head office or chief executive office, (C) its jurisdiction of formation or organization, or (D) locations of business or the jurisdictions in which its real or personal property is located, in each case without giving the Administrative Agent no less than 15 days prior notice thereof;
- (w) **Agreements.** Enter into any agreement or other arrangement that could reasonably be expected to have a Material Adverse Effect on or to be adverse to the interests of the Administrative Agent, the Collateral Agreement or any Lender under the Credit Documents;
- (x) **Compromise of Accounts.** Compromise or adjust any of its accounts (as defined in the PPSA) or any other claims or receivables owing to it (or extend the time for payment thereof) or grant any discounts, allowances or credits, other than in the ordinary course of business when the Borrower considers it commercially reasonable in the circumstances;
- (y) **Sale or Discount of Receivables.** Except for accounts obtained by the Borrower out of the ordinary course of business or the settlement of joint interest billing accounts in the ordinary course of business or discounts granted to settle collection of accounts or the sale of defaulted accounts arising in the ordinary course of business in connection with the compromise or collection thereof and not in connection with any financing transaction, the Borrower shall not discount or sell (with or without recourse) any of its notes receivable or accounts; or
- (z) **Marketing Activities.** The Borrower shall not engage in marketing activities for any Petroleum Substances or enter into any contracts related thereto other than the Commercial Agreement.

Section 6.3 Financial Covenants.

So long as any amount owing under this Agreement remains unpaid and unless consent is given in accordance with Section 10.1:

- (a) **PDP Coverage Ratio.** The Borrower shall, as of the last day of each Financial Quarter, maintain a PDP Coverage Ratio, calculated as of the last day of each Financial Quarter commencing with the Financial Quarter ending on December 31, 2022, of at least:
 - (i) for the period ending on December 31, 2022, 1.43:1; and
 - (ii) for the period ending on June 30, 2023 and for each period thereafter, 1.82:1.
- (b) **Current Ratio.** The Borrower shall, as of the last day of each calendar month, maintain a Current Ratio, calculated as of the last day of each calendar month commencing on September 30, 2022, of at least 1:1;
- (c) **Total Leverage Ratio.** The Borrower shall, as of the last day of each Financial Quarter, maintain a Total Leverage Ratio, calculated as of the last day of each Financial Quarter for the four Financial Quarters then ended, that does not exceed 2.5:1.
- (d) **Minimum Liquidity.** Maintain, as soon as reasonably possible following the Closing Date (but, in any event, within 6 months following the Closing Date) and at all times thereafter, Liquidity of not less than \$4,000,000.

ARTICLE 7 OTHER COVENANTS

Section 7.1 Taxes.

- (1) If any Credit Party, any Lender or any other recipient is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, then (a) the sum payable shall be increased by the applicable Credit Party when payable as necessary so that after making or allowing for all required deductions and payments for Indemnified Taxes (including deductions and payments applicable to additional sums payable under this Section 7.1), the Lenders or other recipient, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments for Indemnified Taxes been required, (b) the applicable Credit Party shall make any such deductions required to be made by it under Applicable Law and (c) the applicable Credit Party shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.
- (2) Without limiting the provisions of Section 7.1(1) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.
- (3) Each Credit Party, on a joint and several basis, shall indemnify any Lender and any other recipient of a payment by or on account of any obligation of the Credit Parties hereunder or under any other Credit Document, within 30 days after demand therefor, which the applicable Lender shall make as soon as practical after it has determined that it is entitled to indemnification, for the full amount of any such Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid or payable by the applicable Lender or recipient and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the applicable Lender shall be *prima facie* evidence of such amount or amounts.
- (4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Credit Party to a Governmental Authority, such Credit Party shall deliver to the Administrative Agent, for the benefit of the Lenders, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lenders.
- (5) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which a Credit Party is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall, at the request of such Credit Party, deliver to such Credit Party (with a copy to the Foreign Lender), at the time or times prescribed by Applicable Law or reasonably requested by such Credit Party or Foreign Lender, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Foreign Lender, if requested by a Credit Party, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by such Credit Party as will enable such Credit Parties to determine whether or not the Foreign Lender is subject to withholding or information reporting requirements.
- (6) If any Lender determines, in its sole and absolute discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Credit Party or with respect to which a Credit Party has paid additional amounts pursuant to this Section 7.1, it shall pay over to such Credit Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Credit Party under

this Section 7.1 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such Credit Party, upon the request of such Lender, shall repay the amount paid over to such Credit Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Lender in the event such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 7.1(6), in no event will any Lender be required to pay any amount to a Credit Party pursuant to this Section 7.1(6) the payment of which would place such Lender in a less favorable net after-Tax position than such Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to any Credit Party or any other Person.

- (7) If a payment made to the Lenders under any Credit Document would be subject to United States federal withholding Tax imposed by FATCA if the Lenders were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code of 1986, as in effect from time to time, as applicable), the Lenders shall deliver to the Borrower at the time or times prescribed by law and at such time or times reasonably requested by the Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code of 1986, as in effect from time to time) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with its obligations under FATCA and to determine that the Lenders have complied with the Lenders' obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for the purposes of this Section 7.1(7), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.
- (8) The provisions of this Section 7.1 shall survive the termination of this Agreement and the repayment of the Credit Facility.

Section 7.2 Sanctions.

- (1) Notwithstanding any other provision of this Agreement, none of the Administrative Agent, the Collateral Agent, the Lenders and the Borrower shall be required to do anything under this Agreement or any Credit Document which constitutes a violation of, or would be in contravention of, or would expose it to the risk of designation pursuant to any Sanction applicable to it.
- (2) If, at any time during this Agreement any Sanctions are changed, or new Sanctions are imposed or become effective, or there is a change in the interpretation of Sanctions, which would:
 - (a) expose the Administrative Agent, the Collateral Agent, any Lender or the Borrower to the risk of designation or to other punitive measures by a Sanctions Authority; or
 - (b) materially affect the Administrative Agent's, the Collateral Agent's, any Lender's or the Borrower's performance of this Agreement or any other Credit Document including, but not limited to, any Lender's ability to continue to make the Obligations available; or
 - (c) cause any Lender to incur additional costs in order to maintain the Obligations outstanding or to reduce the amounts it is to receive hereunder,

then notwithstanding any clause or provision to the contrary in this Agreement, any Lender or the Borrower, as applicable, may, by written notice to the other, terminate this Agreement, in each

event, without any further notice all Obligations owing hereunder shall become immediately due and payable.

ARTICLE 8 EVENTS OF DEFAULT

Section 8.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (an “**Event of Default**”):

- (a) the Borrower fails to pay any amount of the Outstanding Principal (including the OID) when such amount becomes due and payable;
- (b) the Borrower fails to pay any interest, fees or other Obligations payable hereunder when they become due and payable and such default continues for a period of three (3) Business Days after written notice of such failure is given to the Borrower;
- (c) any representation or warranty or certification made or deemed to be made by a Credit Party or any of their respective directors or officers in any Credit Document shall prove to have been incorrect when made or deemed to be made and, if the facts or circumstances which make such representation or warranty incorrect are capable of being remedied, they are not remedied within a period of thirty (30) days after notice thereof is given to the Borrower by the Administrative Agent or the Borrower otherwise becomes aware that such representation or warranty or certification is incorrect;
- (d) the Borrower fails to perform, observe or comply with any term, covenant or condition contained in Section 6.1(u), Section 6.1(w), Section 6.1(x), Section 6.2 or Section 6.3;
- (e) except in respect of the matters dealt with elsewhere in this Section 8.1, a Credit Party fails to perform, observe or comply with any other term, covenant or agreement contained in this Agreement or any other Credit Document to which it is a party, and such default continues for a period of thirty (30) days after notice thereof is given to the Borrower by the Administrative Agent and the Majority Lenders or the Borrower otherwise becomes aware thereof, whichever is earlier (but only if and for so long as the remedying thereof was and continues to be diligently and in good faith pursued and no Material Adverse Effect has occurred or is imminent as a result of such facts);
- (f) any of the Credit Parties fails to pay the principal of, or premium or interest or other amount on, any of its Debt (excluding Debt under this Agreement) which is outstanding in an aggregate principal amount exceeding \$1,000,000 (or the Equivalent Amount in another currency) when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to the Debt; or any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement or instrument relating to any such, if its effect is to accelerate, or permit the acceleration of the Debt; or any such Debt shall be declared to be due and payable prior to its stated maturity;
- (g) the occurrence of an event of default or other termination event under: (i) the Permitted Swap Agreement, or (ii) any Swap Agreement with respect to obligations in excess of \$1,000,000, in the aggregate, or the Borrower fails to make any payment as required under a Swap Agreement (including the Permitted Swap Agreement) following a demand, an event of default or other termination event, in each case which continues for three (3)

Business Days after the expiry of any applicable grace period thereunder and notice of such occurrence is given to the Borrower and to the Administrative Agent;

- (h) the Borrower fails to perform or observe any term, covenant or agreement contained in any Material Agreement on its part to be performed or observed, or any Material Agreement is terminated or revoked or permitted to lapse (other than in accordance with its terms and not as a result of default);
- (i) any Credit Party repudiates its obligations under any Credit Document or claims any of the Credit Documents to be invalid or withdrawn in whole or in part;
- (j) if any Lien constituted pursuant to the Security Documents ceases to have the priority contemplated in the Credit Documents and in each case (other than any contest by any Credit Party) the same is not as soon as practicable effectively rectified or replaced by the Borrower;
- (k) any of the Security Documents at any time does not constitute a valid and perfected first priority Lien on any of the Assets, subject only to Permitted Liens which rank by law in priority;
- (l) the occurrence of any action, suit or proceeding against or affecting the Borrower before any court or before any Governmental Authority which, if successful, would reasonably be expected to have a Material Adverse Effect;
- (m) any judgment or order for the payment of money in excess of \$1,000,000, in the aggregate, which remains unsatisfied and undischarged for a period of thirty (30) days during which such judgment shall not be on appeal or execution thereof shall not be effectively stayed;
- (n) Assets of the Borrower having a fair market value in excess of \$1,000,000, in the aggregate, shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of \$1,000,000, in the aggregate, shall exist in respect of any one or more of any of them, or such property, or any sheriff, civil enforcement agent or other Person shall become lawfully entitled to seize or distraint upon such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other Applicable Laws whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, charging order or equitable execution, or other seizure or right, shall continue in effect and not be released or discharged for more than thirty (30) days;
- (o) the Borrower ceases or proposes to cease carrying on business, or a substantial part thereof, or makes or threatens to make a bulk sale of its Assets;
- (p) the Borrower incurs any Environmental Liabilities which are not insured pursuant to an insurance policy maintained by the Borrower and for which it has received insurance proceeds in the amount of such Environmental Liabilities and which will require expenditures in an aggregate amount in any Financial Year in excess of \$1,000,000 (or the Equivalent Amount in another currency);
- (q) there is a Change of Control;
- (r) any Credit Party is not Solvent;

- (s) a judgment, decree or order of a court of competent jurisdiction is entered against a Credit Party: (i) adjudging any of them bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous Applicable Law in any jurisdiction; or (ii) appointing a receiver, trustee, liquidator, or other Person with like powers, over all, or substantially all, of the property of any of them; or (iii) ordering the involuntary winding up or liquidation of the affairs of any of them; or (iv) appointing any receiver or other Person with like powers over all, or substantially all, of the Assets of any of them, unless, in any such case, such judgment, petition, order or appointment is stayed and of no effect against the rights of the Administrative Agent, the Collateral Agent and/or the Lenders within thirty (30) days of its entry;
- (t) (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of a Credit Party, pursuant to Applicable Law, including the *Business Corporations Act* (Alberta) (except as permitted by Section 6.2(c)); or (ii) any of them institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous Applicable Law in any jurisdiction; or (iii) any of them consents to the filing of any petition under any such Applicable Law or to the appointment of a receiver, or other Person with like powers, over all, or substantially all, of any of their property; or (iv) any of them makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due; or (v) any of them takes or consents to any action in furtherance of any of the aforesaid purposes;
- (u) there has occurred an event, circumstance or development that has a Material Adverse Effect or could reasonably be expected to have a Material Adverse Effect; or
- (v) the audited consolidated financial statements of the Borrower delivered to the Administrative Agent, for the benefit of and remittance to the Lenders, under this Agreement contain a qualification that is not acceptable to the Administrative Agent or any Lender, acting reasonably, and, if unacceptable, such qualification is not rectified or otherwise dealt with to the satisfaction of the Administrative Agent or such Lender within a period of thirty (30) days after delivery of such financial statements.

Section 8.2 Acceleration.

Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and on instruction by the Majority Lenders will, by written notice to the Borrower declare the Obligations (including the OID) payable under this Agreement or any other Credit Document to be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided that, upon the occurrence of an Event of Default under Section 8.1(r), Section 8.1(s) or Section 8.1(t), the Obligations payable under this Agreement shall become immediately due and payable, with any presentment, demand, protest or notice of any kind from the Administrative Agent. Upon the Obligations becoming immediately due and payable in accordance with this Section 8.2, the Borrower will be obligated without any further grace period to forthwith pay such amounts and the Administrative Agent and/or the Collateral Agent may exercise any and all rights, remedies, powers and privileges afforded by Applicable Law or under any and all other instruments, documents and agreements made to assure payment and performance of the obligations of the Credit Parties under the Credit Documents.

If the maturity of the Obligations shall be accelerated (under this Section 8.2 or otherwise) an amount equal to the MOIC Amount (determined as if the Obligations were repaid at the time of such acceleration at the option of the Borrower pursuant to Section 2.8) shall become immediately due and payable, and Borrower will pay such amount, as compensation and liquidated damages to the Lenders for

the loss of their investment opportunity and not as a penalty, whether or not a bankruptcy or insolvency has commenced, and (if a bankruptcy or insolvency has commenced) without regard to whether such bankruptcy or insolvency is voluntary or involuntary, or whether payment occurs pursuant to a motion, plan of arrangement or reorganization, or otherwise, and without regard to whether the Obligations are satisfied or released by foreclosure (whether or not by power of judicial proceeding), deed in lieu of foreclosure or by any other means. Without limiting the foregoing, any redemption, prepayment, repayment, or payment of the Obligations in or in connection with a bankruptcy or insolvency shall constitute an optional prepayment thereof under the terms of Section 2.8 and require the immediate payment of the MOIC Amount in addition to all other amounts owing hereunder.

Section 8.3 Waivers.

An Event of Default may only be waived by the Lenders in writing.

Section 8.4 Remedies upon Default.

- (1) Upon the Obligations becoming immediately due and payable pursuant to Section 8.2, the Administrative Agent and/or the Collateral Agent may commence such legal action or proceedings as are instructed by the Majority Lenders, including the commencement of enforcement proceedings under the Credit Documents and the right to give entitlement orders, instructions or a notice of exclusive control to a securities intermediary subject to the Account Control Agreement, all without any additional notice, presentation, demand, protest, notice of dishonour, entering into of possession of any property or assets, or any other action or notice, all of which are expressly waived by the Borrower. The Lenders acknowledge that any such legal actions and proceedings are subject to the provisions of the Intercreditor Agreements, as applicable.
- (2) The rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders under the Credit Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies. Nothing contained in the Credit Documents with respect to the indebtedness or liability of the Credit Parties to the Administrative Agent, the Collateral Agent and the Lenders, nor any act or omission of the Administrative Agent, the Collateral Agent or the Lenders with respect to the Credit Documents or the Security, provided that such act or omission is not in breach of any term or provision of the Credit Documents, shall in any way prejudice or affect the rights, remedies and powers of the Administrative Agent, the Collateral Agent and the Lenders under the Credit Documents and the Security.
- (3) Notwithstanding anything to the contrary herein, the Lender agrees that any sale or transfer of the Greenfire Shares shall be subject to the provisions of Section 32 of the Greenfire Pledge.

Section 8.5 Power of Attorney.

The Borrower hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, from time to time in the Administrative Agent's sole and absolute discretion, for the purpose of carrying out the terms of the Credit Documents, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of the Credit Documents and which the Borrower being required to take or execute has failed to take or execute; provided that this power of attorney will not be effective until the occurrence and during the continuance of any Event of Default. The Borrower hereby ratifies all that said attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and will be irrevocable until all of the Obligations under the Credit Documents have been unconditionally and irrevocably paid and performed in full. The Borrower also authorizes the Administrative Agent, at any time and from time to time, to execute any endorsements, assignments or other instruments of conveyance or transfer pursuant to the Security Documents. If requested by the Administrative Agent, the Borrower will cause each other Credit Party to constitute and appoint the Administrative Agent and any officer or agent

thereof, with full power of substitution, as its true and lawful attorney-in-fact in accordance with the foregoing provisions of this Section.

Section 8.6 Right of Set-off.

- (1) The Borrower agrees that, upon the occurrence of a Default or an Event of Default, in addition to and without limitation of any right of set-off, bankers' lien, counterclaim or other right or remedy that the Administrative Agent or the Lenders may otherwise have, any Lender will be entitled, at its option, to offset any and all balances and deposits held by it for the account of the Borrower at any of its offices or branches (including, if applicable, the Collection Account), in any currency, against any and all amounts owed by the Borrower to such Lender hereunder (regardless of whether any such balances are then due or payable to the Borrower), including all claims of any nature or description arising out of or connected with this Agreement, in which case such Lender will promptly notify the Borrower thereof after the occurrence thereof; provided that such Lender's failure to give any such notice will not affect the validity thereof.
- (2) Without limitation to the provisions of Section 8.6(1), the Borrower further agrees that, at any time and from time to time, in addition to and without limitation of any right of set-off, bankers' lien, counterclaim or other right or remedy that the Administrative Agent, the Collateral Agent or the Lenders may otherwise have (including under this Section), any Lender will be entitled, at its option, to offset any and all amounts owing by such Lender to the Borrower under the Commercial Agreement or any other agreement entered into between such Lender and the Borrower against any and all amounts owed by the Borrower to such Lender hereunder (regardless of whether any such balances are then due or payable to the Borrower), including all claims of any nature or description arising out of or connected with this Agreement, in which case such Lender will promptly notify the Borrower thereof after the occurrence thereof; provided that such Lender's failure to give any such notice will not affect the validity thereof.
- (3) Nothing contained in the Credit Documents will require any Lender to exercise any right, or will affect the right of any Lender to exercise and retain the benefits of exercising any right, with respect to any Debt or other obligation of the Borrower existing otherwise than pursuant to the Credit Documents, including pursuant to the Commercial Agreement.

Section 8.7 Application of Cash Proceeds of Realization.

- (1) All Proceeds of Realization not in the form of cash shall be forthwith delivered to the Administrative Agent and disposed of, or realized upon, by the Administrative Agent, upon instruction by the Majority Lenders, so as to produce Cash Proceeds of Realization.
- (2) All (i) payments made by or on behalf of a Credit Party under the Credit Documents after acceleration pursuant to Section 8.2, and (ii) Cash Proceeds of Realization, will be applied and distributed by the Administrative Agent or any nominee thereof in the following manner:
 - (a) first, to the payment of all costs and expenses (including fees of counsel) of the Administrative Agent, the Collateral Agent and the Lenders in connection with enforcing each of their respective rights under this Agreement and the applicable Credit Documents, including all expenses of sale or other realization of or in respect of the Collateral, including compensation to the agents and counsel for the Administrative Agent, the Collateral Agent and the Lenders, and all expenses, liabilities and advances incurred or made by the Administrative Agent, the Collateral Agent and the Lenders in connection therewith, and any other obligations owing to the Administrative Agent, the Collateral Agent and the Lenders in respect of sums advanced by the Administrative Agent, the Collateral Agent and the Lenders to preserve the Collateral or to preserve the Security in the Collateral;
 - (b) second, to the payment of all of accrued interest and fees and actual incurred indemnities due under the Credit Documents;

- (c) third, to pay the MOIC Amount, if any;
 - (d) fourth, to the payment of the Outstanding Principal under this Agreement in inverse order of maturity;
 - (e) fifth, except as set forth in clauses (a) through (d) above, inclusive, to the payment of the outstanding Obligations owing to the Administrative Agent, the Collateral Agent and the Lenders in connection with the Credit Documents; and
 - (f) sixth, to the payment of the surplus, if any, to whomever may be lawfully entitled to receive such surplus.
- (3) The Lenders acknowledge that the dealing with and handling of any Proceeds of Realization and Cash Proceeds of Realization will be subject, as applicable, to the Intercreditor Agreements.

Section 8.8 Adjustments Among Lenders.

- (1) Notwithstanding anything herein or in any other Credit Document to the contrary, if all Obligations owing under the Credit Facility together with unpaid accrued interest thereon and any other amounts owing under this Agreement or any other Credit Documents, contingent or otherwise, become due and payable pursuant to Section 8.4 (an “**Acceleration**”):
- (a) each Lender agrees that it shall, at any time or from time to time thereafter at the request of the Administrative Agent as required by any Lender, (A) purchase at par on a non-recourse basis a participation in the outstanding Advance owing to each other Lender under the Credit Facility and (B) effect such other transactions and make such other adjustments as are necessary or appropriate, in order that the aggregate principal amount owing to each of the Lenders under the Credit Facility, as adjusted pursuant to this Section 8.8, shall be in the same proportion as each Lender’s Individual Commitment Amount was to the Commitment immediately prior to the Acceleration; and
 - (b) any payment made by or on behalf of any of the Borrower or any other Credit Party under or pursuant to this Agreement or any other Credit Documents, any proceeds from the exercise of any rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders under this Agreement or any other Credit Documents and any distribution or payment received by the Administrative Agent, the Collateral Agent or the Lenders with respect to the Borrower and the other Credit Parties in the event of any bankruptcy, insolvency, winding-up, liquidation, arrangement, compromise or composition, shall be applied against the aggregate principal amount in a manner so that, to the extent possible, the aggregate principal amount owing to each of the Lenders under the Credit Facility will be in the same proportion as each Lender’s Individual Commitment Amount was to the Commitment immediately prior to the Acceleration.
- (2) For certainty, on the Maturity Date under the Credit Facility:
- (a) the unutilized portion of each Lender’s Individual Commitment Amount shall be cancelled; and
 - (b) the amount of each Lender’s Individual Commitment Amount for all purposes hereof, including this Section 8.8, shall be the aggregate principal amount owing to such Lender under such Individual Commitment Amount and the Credit Facility as at any date of determination.
- (3) Each Lender shall, at any time and from time to time at the request of the Administrative Agent as required by any Lender, execute and deliver such agreements, instruments and other documents

and take such other steps and actions as may be required to confirm, evidence or give effect to the foregoing.

- (4) For certainty, the provisions of this Section 8.8 are unconditional and irrevocable and (i) the Lenders shall be obligated to purchase participations and to effect the transactions and adjustments contemplated by this Section 8.8 and (ii) the other provisions hereof shall operate and apply, in each case, irrespective of whether a Default or Event of Default is then continuing or whether any condition in Article 4 is met.

ARTICLE 9 ADMINISTRATION OF THE CREDIT FACILITY

Section 9.1 Authorization and Action.

- (1) Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to be its administrative agent in its name and on its behalf and to exercise such rights or powers granted to the Administrative Agent or the Lenders under this Agreement or any other Credit Documents to the extent specifically provided therein and on the terms thereof, together with such powers and authority as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or any other Credit Documents, the Administrative Agent will not be required to exercise any discretion or take any action, but will be required to act or to refrain from acting (and will be fully indemnified and protected by the Lenders to the greatest extent permitted by Applicable Law in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions will be binding upon all Lenders; provided, however, that the Administrative Agent will not be required to take any action which, in the opinion of the Administrative Agent, might expose the Administrative Agent to liability in such capacity, which could result in the Administrative Agent incurring any costs and expenses, or which is contrary to the spirit and intent of this Agreement.
- (2) Each Lender hereby irrevocably appoints and authorizes the Collateral Agent to be its collateral agent in its name and on its behalf and to exercise such rights or powers granted to the Collateral Agent or the Lenders under this Agreement or any other Credit Documents to the extent specifically provided therein and on the terms thereof, together with such powers and authority as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or any other Credit Documents, the Collateral Agent will not be required to exercise any discretion or take any action, but will be required to act or to refrain from acting (and will be fully indemnified and protected by the Lenders to the greatest extent permitted by Applicable Law in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions will be binding upon all Lenders; provided, however, that the Collateral Agent will not be required to take any action which, in the opinion of the Collateral Agent, might expose the Collateral Agent to liability in such capacity, which could result in the Collateral Agent incurring any costs and expenses, or which is contrary to the spirit and intent of this Agreement.
- (3) Where the provisions of this Agreement provide that any waiver of or any amendment to any provision of this Agreement or any other Credit Documents may be made or any action, consent or other determination in connection with this Agreement or any other Credit Documents may be taken or given, with the consent or agreement of the Lenders or the Majority Lenders (in accordance with Section 9.16), then any such waiver, amendment, action, consent or determination so made, so taken or so given with the consent or agreement of the Lenders or the Majority Lenders will be binding on all of the Lenders and all of the Lenders will cooperate in all ways necessary or desirable to implement and effect such waiver, amendment, action, consent or determination.
- (4) If the Administrative Agent or the Collateral Agent delivers a notice to a Lender requesting advice from such Lender as to whether it consents or objects to any matter in connection with this Agreement or any other Credit Documents, then, except as otherwise expressly provided herein,

if such Lender does not deliver to the Administrative Agent or the Collateral Agent, as applicable, its written consent or objection to such matter within the time period referenced in such notice, or if no such period is referenced, within seven (7) Business Days of the delivery of such notice by the Administrative Agent or the Collateral Agent to such Lender, such Lender will be deemed not to have consented thereto upon the expiry of such period.

- (5) Each Lender hereby irrevocably authorizes the Collateral Agent to execute and deliver such releases and no-interest letters as may be required in connection with any disposition of assets by one or more Credit Parties in respect of which the Administrative Agent and the Collateral Agent has received a certificate of the Borrower certifying that such disposition is permitted hereunder, together with any other information from the Borrower reasonably required by the Administrative Agent or the Collateral Agent, if any, to satisfy itself that any such disposition is permitted hereunder.
- (6) The Administrative Agent and Collateral Agent shall have only those duties and responsibilities that are expressly specified herein and in the other Credit Documents. The Administrative Agent and Collateral Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. The Administrative Agent and Collateral Agent shall not have or be deemed to have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon the Administrative Agent and Collateral Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein.
- (7) The Administrative Agent and Collateral Agent shall not be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by the Administrative Agent and Collateral Agent to Lenders or by or on behalf of any Credit Party to the Administrative Agent and Collateral Agent or any Lender in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall the Administrative Agent and Collateral Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Advances or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. The Administrative Agent and Collateral Agent shall not be responsible for the satisfaction of any condition set forth in Article 4 or elsewhere in any Credit Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent and Collateral Agent. The Administrative Agent and Collateral Agent will not be required to take any action that is contrary to Applicable Law or any provision of this Agreement or any Credit Document. Anything contained herein to the contrary notwithstanding, the Administrative Agent and Collateral Agent shall not have any liability arising from confirmations of the amount of outstanding Advances or the component amounts thereof.
- (8) Neither the Administrative Agent and Collateral Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by the Administrative Agent and Collateral Agent under or in connection with any of the Credit Documents except to the extent caused by the Administrative Agent or Collateral Agent gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non appealable order. The Administrative Agent and Collateral Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until the Administrative Agent and Collateral Agent shall have received written instructions in respect thereof from Majority Lenders (or such

other Lenders as may be required to give such instructions under this Agreement) or in accordance with the applicable Credit Document, and, upon receipt of such instructions from Majority Lenders (or such other Lenders, as the case may be), or in accordance with the other applicable Credit Document, as the case may be, the Administrative Agent and Collateral Agent shall be entitled to act or (where so instructed), refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions, except powers and authority expressly contemplated hereby or under the other Credit Documents. Without prejudice to the generality of the foregoing, the Administrative Agent and Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected and free from liability in relying on opinions and judgments of attorneys (who may be attorneys for the Credit Parties), accountants, experts and other professional advisors selected by it; and no Lender shall have any right of action whatsoever against the Administrative Agent or Collateral Agent as a result of the Administrative Agent or Collateral Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Majority Lenders (or such other Lenders as may be required to give such instructions hereunder) or in accordance with the applicable Credit Document. The Administrative Agent and Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless the Administrative Agent and Collateral Agent shall first receive such advice or concurrence of the Lenders (as required by this Agreement) and until such instructions are received, the Administrative Agent and Collateral Agent shall act, or refrain from acting, as it deems advisable. If the Administrative Agent or Collateral Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Credit Document in accordance with a request or consent of the Majority Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders. No provision of this Agreement or any other Credit Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby shall require the Administrative Agent or Collateral Agent to expend or risk its own funds or provide indemnities in the performance of any of its duties hereunder or the exercise of any of its rights or power or otherwise incur any financial liability in the performance of its duties or the exercise of any of its rights or powers. The Collateral Agent shall not be responsible for perfecting, maintaining, monitoring, preserving or protecting the security interest or lien granted under this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the filing, re filing, recording, re recording or continuing of any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times or providing, maintaining, monitoring or preserving insurance on or the payment of taxes with respect to any of the Collateral. The actions described above shall be the responsibility of the Lenders and the Credit Parties. The Administrative Agent and Collateral Agent shall not be required to qualify in any jurisdiction in which it is not presently qualified to perform its obligations as agent. The Administrative Agent and Collateral Agent has each accepted and is bound by the Credit Documents executed by them as of the date of this Agreement and, as directed in writing by the Majority Lenders, the Administrative Agent and Collateral Agent shall execute additional Credit Documents delivered to it after the date of this Agreement; provided, however, that such additional Credit Documents do not adversely affect the rights, privileges, benefits and immunities of the Administrative Agent and Collateral Agent. The Administrative Agent and Collateral Agent will not otherwise be bound by, or be held obligated by, the provisions of any loan agreement, indenture or other agreement governing the Obligations (other than this Agreement and the other Credit Documents to which the Administrative Agent or Collateral Agent is a party). No written direction given to the Administrative Agent or Collateral Agent by the Majority Lenders or any Credit Party that in the sole judgment of the Administrative Agent or Collateral Agent imposes, purports to impose or might reasonably be expected to impose upon the Administrative Agent and Collateral Agent any obligation or liability not set forth in or arising under this Agreement and

the other Credit Documents will be binding upon the Agent unless the Agent elects, at its sole option, to accept such direction. Beyond the exercise of reasonable care in the custody of the Collateral in the possession or control of the Collateral Agent or its bailee, the Collateral Agent will not have any duty as to any other Collateral or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. The Collateral Agent will be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and the Collateral Agent will not be liable or responsible for any loss or diminution in the value of any of the Collateral by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Collateral Agent in good faith. The Collateral Agent will not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence or willful misconduct on the part of the Collateral Agent, as determined by a court of competent jurisdiction in a final, non appealable order, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of any grantor to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral. The Administrative Agent and Collateral Agent hereby disclaims any representation or warranty to the present and future Lenders of the Obligations concerning the perfection of the Liens granted hereunder or in the value of any of the Collateral. In the event that the Collateral Agent is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any fiduciary or trust obligation for the benefit of another, which in the Collateral Agent's sole discretion may cause the Collateral Agent to be considered an "owner or operator" under any environmental laws or otherwise cause the Collateral Agent to incur, or be exposed to, any environmental liability or any liability under any other federal, state or local law, the Collateral Agent reserves the right, instead of taking such action, either to resign as Collateral Agent or to arrange for the transfer of the title or control of the asset to a court-appointed receiver. The Administrative Agent and Collateral Agent will not be liable to any person for any environmental liability or any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of the Administrative Agent or Collateral Agent actions and conduct as authorized, empowered and directed hereunder or relating to any kind of discharge or release or threatened discharge or release of any hazardous materials into the environment. Each Lender authorizes and directs the Administrative Agent and Collateral Agent to enter into this Agreement and the other Credit Documents to which it is a party. Each Lender agrees that any action taken by the Administrative Agent or Collateral Agent or Majority Lenders in accordance with the terms of this Agreement or the other Credit Documents and the exercise by the Administrative Agent or Collateral Agent or Majority Lenders of their respective powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

- (9) The Administrative Agent and Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default (except knowledge of any failure to pay principal, interest and fees required to be paid hereunder to the Administrative Agent for the benefit of the Lenders) unless the Administrative Agent and Collateral Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". The Administrative Agent and Collateral Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent and Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.
- (10) Each Credit Party hereby agrees, unless directed otherwise by the Administrative Agent and Collateral Agent or unless the electronic mail address referred to below has not been provided by the Administrative Agent and Collateral Agent to such Person, that it will provide to the Administrative Agent and Collateral Agent all information, documents and other materials that it is

obligated to furnish to the Administrative Agent and Collateral Agent or to the Lenders pursuant to the Credit Documents, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (ii) provides notice of any Default or Event of Default under this Agreement or any other Credit Document, or (iii) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any Advance hereunder (all such non excluded communications being referred to in this paragraph collectively as “**Communications**”), by transmitting the Communications in an electronic/soft medium that is properly identified in a format acceptable to the Borrower and the Administrative Agent and Collateral Agent to an electronic mail address as directed by the Administrative Agent and Collateral Agent. In addition, each Credit Party agrees to continue to provide the Communications to the Administrative Agent and Collateral Agent or the Lenders, as the case may be, in the manner specified in the Credit Documents but only to the extent requested by the Administrative Agent or Collateral Agent.

- (11) Nothing herein shall prejudice the right of the Administrative Agent and Collateral Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document

Section 9.2 Procedure for Advance.

- (1) The Advance under the Credit Facility will be made in accordance with each Lender's Rateable Portion of the Advance under the Credit Facility. The Advance will be made by each Lender directly to the Borrower in accordance with the Notice of Advance.
- (2) The failure of any Lender to make its Rateable Portion of the Advance will not relieve any other Lender of its obligation, if any, hereunder to make its Rateable Portion of the Advance on the date that such Advance is to take place, but no Lender nor the Agent will be responsible for the failure of any other Lender to provide its Rateable Portion of the Advance under the Credit Facility.

Section 9.3 Remittance of Payments.

Within two (2) Business Days of receipt of any payment by the Borrower hereunder, the Administrative Agent, if and to the extent a Lender is entitled thereto, will remit to such Lender its Rateable Portion of such payment.

Section 9.4 Redistribution of Payment.

Each Lender agrees that:

- (1) If it exercises any right of counter-claim, set-off (including a set-off pursuant to Section 8.6), bankers' lien or similar right with respect to any property of any Credit Party or if under Applicable Law it receives a secured claim, the security for which is a debt owed by it to such Credit Party, it will apportion the amount thereof proportionately between:
 - (a) amounts outstanding at the time owed by such Credit Party to such Lender under this Agreement, which amounts will be applied in accordance with this Section 9.4; and
 - (b) amounts otherwise owed to it by such Credit Party.
- (2) If it receives, through the exercise of a right or the receipt of a secured claim described in Section 9.4(1) or otherwise, payment of a proportion of the aggregate amount of principal, interest and fees due to it hereunder which is greater than the proportion received by any other Lender (or, if an Event of Default has occurred and is continuing, any other Secured Party) in respect of the aggregate amount of principal, interest and fees due in respect of the Credit Facility (having regard to the respective proportionate amounts advanced as the Advance by each of the Lenders

under the Credit Facility and, after an Event of Default, any Swap Obligations), the Lender receiving such proportionately greater payment will purchase a participation (which will be deemed to have been done simultaneously with receipt of such payment) in that portion of the Credit Facility of the other Lenders so that their respective receipts will be pro rata to their respective Rateable Portions, provided however that, if (i) all or part of such proportionately greater payment received by such purchasing Lender is otherwise recovered by it, such purchase will be rescinded and the purchase price for such participation will be returned to the extent of such recovery, but without interest, (ii) or if any Event of Default has occurred and is continuing, such Lender shall pay such amounts to the Collateral Agent, for the benefit of the Secured Parties to be held and dealt with by the Collateral Agent pursuant to the Intercreditor Agreement (Swap Counterparty) as Proceeds thereunder. Such Lender will exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders and, if applicable, the Swap Counterparty, entitled under this Section 9.4 and the Intercreditor Agreement (Swap Counterparty) to share in the benefits of any recovery on such secured claims.

- (3) If it does any act or thing permitted by Section 9.4(1) or Section 9.4(2), it will promptly provide full particulars thereof to the Administrative Agent.
- (4) Except as permitted under Section 9.4(1) or Section 9.4(2) (which, for certainty, includes Trafigura's ability to exercise a set-off against any Credit Party amounts owing by such Credit Party under this Agreement for amounts owing to such Credit Party under the Commercial Agreement), no Lender will be entitled to exercise any right of counter-claim, set-off, bankers' lien or similar right in respect of the Secured Obligations owing by a Credit Party without the prior written consent of the other Lenders. For certainty, nothing herein shall restrict any Lender from exercising any right of counter-claim, set-off, bankers Lien or similar right in respect of amounts owing by a Credit Party to such Lender which are not Secured Obligations or which are not otherwise owing under this Agreement or the other Credit Documents against amounts owing by such Lender to such Credit Party.

Section 9.5 Duties and Obligations.

Neither the Administrative Agent or the Collateral Agent, or any of their respective directors, officers, agents or employees (and, for purposes hereof, the Administrative Agent or the Collateral Agent, as applicable, will be deemed to be contracting as agent for and on behalf of such Persons) will not be liable to any Lender for any action taken or omitted to be taken by it under or in connection with this Agreement or any other Credit Documents, except for its own gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Administrative Agent and the Collateral Agent:

- (1) may assume that there has been no assignment or transfer by the Lenders of their rights under this Agreement or any other Credit Documents, unless and until the Administrative Agent and the Collateral Agent receives a duly executed assignment from such Lender;
- (2) may consult with counsel (including Borrower's counsel), independent public accountants and other experts selected by it and will not be liable for any action taken or omitted to be taken in good faith by it in accordance with or reliance upon the advice of such counsel, accountants or experts;
- (3) will incur no liability under or in respect of this Agreement or any other Credit Documents by acting upon any notice, consent, certificate or other instrument or writing believed by it to be genuine and signed or sent by the apparently proper Person or by acting upon any representation or warranty of any Credit Party made or deemed to be made hereunder;
- (4) may assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge to the contrary; and

- (5) may rely, as to any matter of fact which might reasonably be expected to be within the knowledge of any Person, upon a certificate signed by or on behalf of such Person.

Further, neither the Administrative Agent nor the Collateral Agent: (i) makes any warranty or representation to any Lender nor will it be responsible to any Lender for the accuracy or completeness of the data made available to any of the Lenders in connection with the Credit Facility, or for any statements, warranties or representations (whether written or oral) made in connection with the Credit Facility; (ii) will have any duty to ascertain or to enquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Credit Documents on the part of any Credit Party or to inspect the property (including books and records) of any Credit Party; and (iii) will be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Credit Documents or any other instrument or document furnished pursuant hereto or thereto.

Section 9.6 Prompt Notice to the Lenders.

Notwithstanding any other provision herein, each of the Administrative Agent and the Collateral Agent agrees to provide to the Lenders, with copies where appropriate, all information, notices and reports required to be given to the Administrative Agent or the Collateral Agent by the Borrower hereunder, promptly and in any event within two (2) Business Days of receipt of same, excepting therefrom information and notices relating solely to the role of the Administrative Agent or the Collateral Agent hereunder.

Section 9.7 Agent and Agent Authority.

Each of the Administrative Agent and the Collateral Agent may accept deposits from, lend money to, and generally engage in any kind of business with any Credit Party, any of their Subsidiaries, their respective shareholders or unitholders or any Person owned or controlled by any of them and any Person which may do business with any of them, all as if the Administrative Agent or the Collateral Agent was not serving as the Administrative Agent or the Collateral Agent, as applicable, and without any duty or obligation to account therefor to the Lenders.

Section 9.8 Lenders' Credit Decisions.

It is understood and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Credit Parties. Accordingly, each Lender confirms with the Administrative Agent and the Collateral Agent that it has not relied, and will not hereafter rely, on either the Administrative Agent or the Collateral Agent (a) to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Credit Parties or any other Person under or in connection with the Credit Facility (whether or not such information has been or is hereafter distributed to such Lender by the Administrative Agent or the Collateral Agent) or (b) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of any Credit Party. Each Lender acknowledges that copies of this Agreement or any other Credit Documents have been made available to it for review and each Lender acknowledges that it is satisfied with the form and substance of this Agreement or any other Credit Documents. A Lender will not make any independent arrangement with any Credit Party for the satisfaction of any Obligations owing to it under this Agreement or any other Credit Documents without the written consent of the other Lenders.

Each Lender, by delivering its signature page to this Agreement or a joinder agreement and funding its Advances, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by the Administrative Agent and Collateral Agent, Majority Lenders or Lenders, as applicable.

Section 9.9 Indemnification.

The Lenders hereby agree to indemnify each of the Administrative Agent and the Collateral Agent and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) in accordance with their respective Rateable Portions, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against either the Administrative Agent or the Collateral Agent or their respective directors, officers, agents and employees in any way relating to or arising out of this Agreement or any other Credit Documents or any action taken or omitted by the Administrative Agent or the Collateral Agent under or in respect of this Agreement or any other Credit Documents in their respective capacity as the Administrative Agent or the Collateral Agent, provided that no Lender will be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or the Collateral Agent's gross negligence or willful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Administrative Agent or the Collateral Agent promptly upon demand for its Rateable Portion of any reasonable out-of-pocket expenses (including legal fees, on a solicitor and his own client full indemnity basis) incurred by the Administrative Agent or the Collateral Agent in connection with the preservation of any right of the Administrative Agent, the Collateral Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Credit Documents, to the extent that the Administrative Agent or the Collateral Agent is not reimbursed for such expenses by the Borrower. This indemnity will survive the termination of the other provisions of this Agreement as a separate and continuing covenant of the Lenders.

Section 9.10 Successor Agent.

Either the Administrative Agent or the Collateral Agent may, as hereinafter provided, resign at any time by giving 30 days' notice (the "**Resignation Notice**") thereof to the Lenders and the Borrower. The remaining Lenders, with the consent of the Borrower, such consent not to be unreasonably withheld, will forthwith upon receipt of the Resignation Notice unanimously appoint a Lender as successor agent (the "**Successor Agent**") to assume the duties hereunder of the resigning Administrative Agent or Collateral Agent. Upon the acceptance of any appointment as agent hereunder by a Successor Agent, such Successor Agent will thereupon succeed to and become vested with all the rights, powers, privileges and duties as agent under this Agreement or any other Credit Documents of the resigning Administrative Agent or Collateral Agent. Upon such acceptance, the resigning Administrative Agent or Collateral Agent will be discharged from its further duties and obligations as agent under this Agreement or any other Credit Documents, but any such resignation will not affect such resigning Administrative Agent's or Collateral Agent's obligations hereunder as a Lender (if applicable), including for its Rateable Portion of the Commitment. After the resignation of the Administrative Agent or the Collateral Agent as agent hereunder, the provisions of this Article 9 will continue to enure to its benefit as to any actions taken or omitted to be taken by it while it was the agent of the Lenders hereunder. Notwithstanding the foregoing, if the remaining Lenders fail to appoint a Successor Agent within 30 days of receipt of the Resignation Notice, the resigning Administrative Agent or Collateral Agent may and with the approval of the Borrower prior to an Event of Default, such approval not to be unreasonably withheld, appoint a Successor Agent from among the Lenders, provided that consent of such Successor Agent has been obtained.

Notwithstanding anything herein to the contrary, the Administrative Agent and Collateral Agent may assign its rights and duties as agent hereunder to (i) an Affiliate of the Administrative Agent and Collateral Agent or to any Lender or Affiliate thereof without the prior written consent of, or prior written notice to, the Borrower or the Lenders, or (ii) any other non-Affiliate financing source of the Administrative Agent and Collateral Agent or other third party with the prior written consent of the Majority Lenders; provided that the Borrower and the Lenders may deem and treat such assigning Administrative Agent or Collateral Agent as Administrative Agent or Collateral Agent for all purposes hereof, unless and until such assigning Administrative Agent or Collateral Agent provides written notice to the Borrower and the Lenders of such assignment. Upon such assignment, such Affiliate shall succeed to and become vested with all rights, powers, privileges and duties as Administrative Agent or Collateral Agent hereunder and under the other Credit Documents.

The Administrative Agent and Collateral Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Credit Document by or through any one or more sub agents appointed by the Administrative Agent and Collateral Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The Administrative Agent and Collateral Agent shall not be responsible for the acts or omissions of its sub agents so long as they are appointed with due care. The exculpatory, indemnification and other provisions of Article 9 shall apply to any Affiliates of the Administrative Agent and Collateral Agent and shall apply to their respective activities in connection with the credit facilities provided for herein. All of the rights, benefits and privileges (including the exculpatory and indemnification provisions) of Article 9 shall apply to any such sub agent and to the Affiliates of any such sub agent, and shall apply to their respective activities as sub agent. Notwithstanding anything herein to the contrary, with respect to each sub agent appointed by the Administrative Agent or Collateral Agent, such sub agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory and rights to indemnification) and shall have all of the rights, benefits and privileges of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Credit Parties and the Lenders and such sub agent shall only have obligations to the Administrative Agent and Collateral Agent and not to any Credit Party, Lender or any other Person and no Credit Party, Lender or any other Person shall have the rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub agent.

Section 9.11 Taking and Enforcement of Remedies.

Except as otherwise provided herein or in any other Credit Document, each Lender hereby acknowledges that, to the extent permitted by Applicable Law, rights and remedies provided under this Agreement or any other Credit Documents to the Lenders are for the benefit of the Lenders collectively and not severally and further acknowledges that its rights and remedies thereunder are to be exercised not severally but collectively through the Administrative Agent or the Collateral Agent, as applicable, upon the decision of the Lenders (with the required majority or unanimity as herein provided), regardless of whether acceleration of Obligations hereunder was made, and accordingly, notwithstanding any of the provisions contained herein, each of the Lenders hereby covenants and agrees that it will not be entitled to take any action with respect to the Credit Facility, including any acceleration of Obligations thereunder, but that any such action will be taken only by the Administrative Agent or the Collateral Agent, as applicable, with the prior written direction of the Lenders (with the required majority or unanimity as herein provided). Notwithstanding the foregoing, in the absence of written instructions from the Lenders, and where in the sole opinion of the Administrative Agent or the Collateral Agent, as applicable, the exigencies of the situation warrant such action, the Administrative Agent or the Collateral Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the circumstances. Each of the Lenders hereby covenants and agrees that it has not heretofore and will not seek, take, accept or receive any security for any of the Obligations of the Credit Parties under this Agreement or any other Credit Documents and will not enter into any agreement with any of the parties relating in any manner whatsoever to the Credit Facility, unless all of the Lenders under the Credit Facility will at the same time obtain the benefit of any such security or agreement, as the case may be.

The Lenders and each Credit Party hereby agree that after the occurrence of an Event of Default, in case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, the Administrative Agent or Collateral Agent (irrespective of whether the principal of any Advance shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent or Collateral Agent shall have made any demand on any Credit Party) shall be entitled and empowered, by intervention in such proceeding or otherwise, to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Advances and any other Obligations that are owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Lenders, the Administrative Agent and Collateral Agent and other agents (including any claim for the reasonable compensation, expenses, disbursements and

advances of the Lenders, the Administrative Agent and Collateral Agent and other agents and their agents and counsel and all other amounts due Lenders, the Administrative Agent and Collateral Agent and other agents hereunder) allowed in such judicial proceeding; subject to the Intercreditor Agreements, as applicable, to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and any custodian, receiver, assignee, interim trustee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the compensation, expenses, disbursements and advances of the Administrative Agent and Collateral Agent and its agents and counsel, and any other amounts due the Administrative Agent and Collateral Agent and other agents hereunder. Without limiting the provisions of the Intercreditor Agreements, as applicable, nothing herein contained shall be deemed to authorize the Administrative Agent and Collateral Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lenders or to authorize the Administrative Agent and Collateral Agent to vote in respect of the claim of any Lender in any such proceeding; further, nothing contained in this Section 9.11 shall affect or preclude the ability of any Lender to file and prove such a claim in the event that the Administrative Agent or Collateral Agent has not acted within ten (10) days prior to any applicable bar date and require an amendment of the proof of claim to accurately reflect such Lender's outstanding Obligations.

Section 9.12 Reliance Upon Agent.

The Borrower will be entitled to rely upon any certificate, notice or other document or other advice, statement or instruction provided to it by the Administrative Agent or the Collateral Agent pursuant to this Agreement or any other Credit Documents, and the Borrower will be entitled to deal with the Administrative Agent or the Collateral Agent with respect to matters under this Agreement or any other Credit Documents which the Administrative Agent or the Collateral Agent, as applicable, is authorized hereunder to deal with, without any obligation whatsoever to satisfy itself as to the authority of the Administrative Agent or the Collateral Agent to act on behalf of the Lenders and without any liability whatsoever to the Lenders for relying upon any certificate, notice or other document or other advice, statement or instruction provided to them by the Agent, notwithstanding any lack of authority of the Administrative Agent or the Collateral Agent to provide the same.

Section 9.13 Agent May Perform Covenants.

If the Borrower fails to perform any covenant on its part herein contained, the Administrative Agent may give notice to the Borrower of such failure and if, within ten (10) Business Days of such notice (or after the expiry of such other time or cure period as may be required in this Agreement), such covenant remains unperformed, the Administrative Agent on behalf of the Lenders may, in its sole discretion but need not, perform any such covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, the Administrative Agent may make such payment or expenditure and all sums so expended will be forthwith payable by the Borrower to the Administrative Agent on behalf of the Lenders and will bear interest at a per annum rate that is equal to the Applicable Rate plus the Default Rate. No such performance by the Administrative Agent shall require the Administrative Agent to further perform any Credit Party's covenants or shall operate as a derogation of the rights and remedies of the Administrative Agent under this Agreement or as a waiver of such covenant by the Administrative Agent or the Lenders.

Section 9.14 No Liability of Agent.

Neither the Administrative Agent nor the Collateral Agent, in its capacity as agent of the Lenders under this Agreement or any other Credit Documents, will have responsibility or liability to the Borrower or the Lenders on account of the failure of any Lender to perform its obligations hereunder, or to any Lender on account of the failure of the Borrower to perform its obligations under this Agreement or any other Credit Documents.

Section 9.15 Nature of Obligations under this Agreement.

- (1) The obligations of each Lender, the Administrative Agent and the Collateral Agent under this Agreement are separate. The failure of any Lender to carry out its obligations hereunder will not relieve the other Lenders, the Administrative Agent, the Collateral Agent or the Borrower of any of their respective obligations hereunder.
- (2) Neither the Administrative Agent, the Collateral Agent nor any Lender will be liable or otherwise responsible for the obligations of any other agent or Lender hereunder.

Section 9.16 Lender Consent.

- (1) Notwithstanding anything herein to the contrary, the following matters will require the consent, approval action or agreement, as the context requires, of all Lenders:
 - (a) the reduction or forgiveness of any Obligations payable by any Credit Party under the Credit Facility or under any of this Agreement or any other Credit Documents;
 - (b) the postponement of any maturity date of any Obligations of any Credit Party to the Lenders or under any of this Agreement or any other Credit Documents, other than as provided for in this Agreement;
 - (c) the release or discharge of the Security, or any part thereof, unless otherwise expressly permitted or provided in this Agreement, or any change in the ranking or priority of the Security;
 - (d) any change in the nature of the Advance;
 - (e) any change to or waiver of Section 2.1, Section 2.2, Section 2.3, Section 2.5, Section 2.8, Section 4.1, Section 6.1(c) and Section 6.3;
 - (f) any amendment to Section 8.7, Section 8.8 or to this Section 9.16(1);
 - (g) any increase in its Individual Commitment Amount or any amendment to the definition of "Individual Commitment Amount";
 - (h) any change to the definition of "Majority Lenders" or "Permitted Liens"; and
 - (i) any other matter that in this Agreement specifically requires the approval, consent, authorization or agreement of "the Lenders" collectively or "all of the Lenders".

Provided that (A) any change to Article 9 will require the consent of each of the Administrative Agent and the Collateral Agent, (B) any change to the Individual Commitment Amount can only be made with the consent of the applicable Lender; (C) any change which only affects one of the Lenders, the Administrative Agent or the Collateral Agent, respectively, shall only require the consent of the affected Persons.

- (2) Subject to Section 9.16(1), any waiver of or any amendment to any provision of this Agreement or any other Credit Documents and any action, consent or other determination in connection with this Agreement or any other Credit Documents will bind all of the Lenders if such waiver, amendment, action, consent or other determination is agreed to in writing by the Majority Lenders.

Section 9.17 Specific Collateral Agency Provisions.

- (1) Subject to the terms of this Agreement and the Intercreditor Agreements, the Collateral Agent agrees to administer and enforce the Security Documents and other Credit Documents to which it

is a party and to foreclose upon, collect and dispose of the Collateral and to provide the proceeds therefrom: (i) to the extent attributable to the Shared Security Documents, to the Collateral Agent to deal with in accordance with the provisions of the Intercreditor Agreement (Swap Counterparty), or (ii) to the extent attributable to the Supplemental Security Documents, to the Administrative Agent, for the benefit of the Secured Parties, who shall apply such proceeds as provided in this Agreement, and otherwise to perform its duties and obligations as the Collateral Agent hereunder in accordance with the terms hereof.

- (2) Notwithstanding any other provision of the Credit Documents, in no event shall the Collateral Agent be required to foreclose on, or take possession of, the Collateral, if, in the judgment of the Collateral Agent, such action would be in violation of any Applicable Law, or if the Collateral Agent reasonably believes that such action would result in the incurrence of liability by the Collateral Agent for which it is not fully indemnified by the Lenders.
- (3) Subject to the terms of the Intercreditor Agreements, the Collateral Agent may at any time request instructions from the Lenders as to a course of action to be taken by it hereunder and under any of the Credit Documents or in connection herewith and therewith or any other matters relating hereto and thereto.
- (4) The powers conferred on the Collateral Agent under this Agreement and the Credit Documents are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody and preservation of the Collateral in its possession and the accounting for monies actually received by it, the Collateral Agent shall have no other duty as to the Collateral. The Collateral Agent hereby agrees to exercise reasonable care in respect of the custody and preservation of the Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property.

ARTICLE 10 MISCELLANEOUS

Section 10.1 Amendments.

No amendment or waiver of any provision of any of the Credit Documents, nor consent to any departure by the Credit Parties or any other Person from such provisions, shall be effective unless in writing and approved by the Lenders. Any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 10.2 Waiver.

- (1) No waiver by a party of any provision or of the breach of any provision of the Credit Documents will be effective unless it is contained in a written instrument duly executed by an authorized officer or representative of such party. Such written waiver will affect only the matter specifically identified in the instrument granting the waiver and will not extend to any other matter, provision or breach.
- (2) No failure on the part of the Administrative Agent, the Collateral Agent or any Lender to exercise, and no delay in exercising, any right under any of the Credit Documents shall operate as a waiver of such right; nor shall any single or partial exercise of any right under any of the Credit Documents preclude any other or further exercise of such right or the exercise of any other right.
- (3) Acceptance of payment by a party after a breach or non-fulfilment of any provision of the Credit Documents requiring a payment to such party will constitute a waiver of such provision if cured by such payment, but will not constitute a waiver or cure of any other provision of the Credit Documents.

- (4) Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Advance and, notwithstanding such initial Advance or any investigation made by or on behalf of any party, shall continue in full force and effect. The closing of this transaction shall not prejudice any right of one party against any other party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Section 10.3 Notices; Effectiveness; Electronic Communication.

- (1) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax or email addressed:

- (a) to the Borrower (which shall be deemed to constitute notice to all Credit Parties under the Credit Documents) at:

Griffon Partners Operation Corp.
900, 140 Fourth Avenue SW
Calgary, Alberta T2P 3N3

Attention: Daryl Stepanic
Email: DS@griffon-partners.com

- (b) to the Administrative Agent:

GLAS USA LLC
3 Second Street, Suite 206
Jersey City, NJ 07311
Fax: 212-202-6246
Phone: +1 (201) 839-2200

Email: ClientServices.Americas@glas.agency; tmgus@glas.agency

with a copy to:

Trafigura Canada Limited
1700, 400 - 3rd Avenue SW
Calgary, Alberta
T2P 4H2

Attention: Iain Singer
Email: iain.singer@trafigura.com

and with a copy to:

Signal Alpha C4 Limited
3rd Floor, Liberation House, Castle Street
St Helier, Jersey, Channel Islands
JE1 2LH

Attention: Credit Ops
Email: creditops@signalcapital.com

and

Attention: Signal Alpha
Email: SignalAlpha@langhamhall.com

(c) to the Collateral Agent:

GLAS Americas LLC
3 Second Street, Suite 206
Jersey City, NJ 07311
Fax: 212-202-6246
Phone: +1 (201) 839-2200

Email: ClientServices.Americas@glas.agency; tmgus@glas.agency

with a copy to:

Trafigura Canada Limited
1700, 400 - 3rd Avenue SW
Calgary, Alberta
T2P 4H2

Attention: Iain Singer
Email: iain.singer@trafigura.com

and with a copy to:

Signal Alpha C4 Limited
3rd Floor, Liberation House, Castle Street
St Helier, Jersey, Channel Islands
JE1 2LH

Attention: Credit Ops
Email: creditops@signalcapital.com

and

Attention: Signal Alpha
Email: signalAlpha@langhamhall.com

(d) to Trafigura, as a Lender, at:

Trafigura Canada Limited
1700, 400 - 3rd Avenue SW
Calgary, Alberta
T2P 4H2

Attention: Iain Singer
Email: iain.singer@trafigura.com

(e) to Signal Alpha C4 Limited, as a Lender, at:

Signal Alpha C4 Limited
3rd Floor, Liberation House, Castle Street
St Helier, Jersey, Channel Islands
JE1 2LH

Attention: Credit Ops
Email: creditops@signalcapital.com

and

Attention: Signal Alpha
Email: signalAlpha@langhamhall.com

- (2) Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (except that, if not given on a Business Day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through email shall be deemed to have been given when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this Section 10.3(2).
- (3) Any party hereto may change its address, fax number or email address for notices and other communications hereunder by notice to the other parties hereto.

Section 10.4 Expenses; Indemnity; Damage Waiver.

- (1) The Borrower will pay or reimburse the Administrative Agent, the Collateral Agent and any Lender for all out-of-pocket expenses, including legal fees and disbursements (on a solicitor and his own client full indemnity basis) and enforcement costs, incurred by the Administrative Agent, the Collateral Agent or any Lender in connection with the creation, negotiation, preparation, execution, maintenance, syndication, publication, management, collection and amendment of the Credit Documents and the Credit Facility and the enforcement of their rights and remedies thereunder or relating thereto, as applicable.
- (2) The Borrower hereby indemnifies and holds harmless the Administrative Agent, the Collateral Agent, each Lender and their respective directors, officers, employees and agents (in this Section 10.4, collectively, the "**Indemnified Parties**"), for any costs, losses, damages, expenses, judgments, suits, claims, awards, fines, sanctions and liabilities whatsoever (in this Section 10.4 collectively a "**Claim**") suffered or incurred by such Indemnified Party, arising out of, or in respect of:
 - (a) the release of any Contaminant into the Environment from or into any property, owned, operated or controlled, directly or indirectly, by the Borrower or otherwise in which the Borrower has an interest; and
 - (b) the remedial action, if any, required to be taken by the Administrative Agent, the Collateral Agent or any Lender in respect of any such release,

except with respect to any Indemnified Party, in such cases where and to the extent that such Claims arise from the gross negligence or wilful misconduct of such Indemnified Party. This indemnity will survive repayment or cancellation of the Obligations or any part thereof, including any termination of the other provisions of this Agreement.

- (3) In addition to any liability of the Borrower to the Administrative Agent, the Collateral Agent and the Lenders under any other provision hereof, the Borrower will and does hereby indemnify each Indemnified Party and hold each Indemnified Party harmless against any losses, claims, costs, damages or liabilities (including reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client full indemnity basis) incurred by the same as a result of or in connection with: (a) any cost or expense incurred by reason of the liquidation or re-deployment in whole or in part of deposits or other funds required by any Lender to fund or maintain the

Advance as a result of the Borrower's failure to complete such Advance or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder; (b) the Borrower's failure to pay any amount, including any interest or fees, due hereunder on its due date after the expiration of any applicable grace or notice periods; (c) the Borrower's failure to give any notice required to be given by it to the Administrative Agent or the Collateral Agent hereunder or under any Credit Document; (d) the failure of any Credit Party to make any other payment due hereunder or under any of the other Credit Documents; (e) the inaccuracy of any Credit Party's representations and warranties contained in any Credit Document; (f) any failure of any Credit Party to observe or fulfil its covenants under any Credit Document; (g) the occurrence of any other Default or Event of Default; and (h) any use of the proceeds of the Credit Facility, including to pay the purchase price of any acquisition; provided that this Section 10.4(3) will not apply to any losses, claims, costs, damages or liabilities that arise by reason of the gross negligence or wilful misconduct of the Indemnified Party claiming indemnity hereunder. The provisions of this Section 10.4(3) shall survive repayment of the Obligations of the Borrower under the Credit Documents.

- (4) To the fullest extent permitted by Applicable Law, neither the Borrower, any other Credit Party nor any Subsidiary of the Borrower or any other Credit Party shall assert, and hereby waives, any claim against any Indemnified Party, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, the Advance or the use of the proceeds thereof. No Indemnified Party shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.
- (5) All amounts due under this Section 10.4 shall be payable promptly after demand therefor. A certificate of the Administrative Agent and the Lenders setting forth the amount or amounts owing to the Administrative Agent, the Collateral Agent, any Lender or Related Party, as the case may be, as specified in this Section 10.4, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be deemed to be *prima facie* evidence of such amount or amounts.
- (6) The provisions of this Section 10.4 shall survive the termination of this Agreement and the repayment of the Obligations. To the extent required by law to give full effect to the rights of the Indemnified Parties under this Section 10.4, the parties hereto agree and acknowledge that the Administrative Agent is acting as agent for its respective Related Parties and agrees to hold and enforce such rights on behalf of such Related Parties as they may direct. The Borrower acknowledges that neither its obligation to indemnify nor any actual indemnification by it of any Lender or any other Indemnified Party in respect of such Person's losses for legal fees and expenses shall in any way affect the confidentiality or privilege relating to any information communicated by such Person to its counsel.

Section 10.5 Successors and Assigns.

- (1) No Credit Party shall have the right to assign its rights or obligations under this Agreement or any other Credit Document or any interest in this Agreement or any other Credit Document without the prior written consent of the Lenders, in their sole and absolute discretion.
- (2) Each Lender may also assign all or any part of its interest in the Credit Facility to one or more Persons (each an "**Assignee**") with the consent of the Borrower or any other Person (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, no consent of the Borrower shall be required if: (a) an assignment occurs during an Event of Default which is continuing, or (b) the Assignee is an Affiliate of a Lender. In the case of an assignment, the

Assignee shall have the same rights and benefits and be subject to the same limitations under the Credit Documents as it would have if it was the assigning Lender.

- (3) In the case of an assignment, each Lender shall deliver an assignment and assumption agreement in a form acceptable to such Lender and the Assignee by which the Assignee assumes the obligations of such Lender and agrees to be bound by all the terms and conditions of this Agreement, all as if the Assignee had been an original party. Upon receipt by the Borrower of the assignment and assumption agreement, such Lender shall be released from its obligations under this Agreement (to the extent of such assignment and assumption) and shall have no liability or obligations to the Borrower to such extent, except in respect of matters arising prior to the assignment.
- (4) Each Lender may at any time pledge or grant a security interest in all or a portion of its rights under this Agreement to secure obligations of such Lender provided that no such pledge or security shall release such Lender from any of its obligations hereunder or substitute any such pledge for such Lender as a party hereto.
- (5) Any assignment pursuant to this Section 10.5 will not constitute a repayment by the Borrower to the assigning or granting Lender of the Advance, nor a new Advance to the Borrower by the assigning or granting Lender or by the Assignee, as the case may be, and the parties acknowledge that the Borrower's obligations with respect to the Advances will continue and will not constitute new obligations.

Section 10.6 Judgment Currency.

- (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to any Secured Party in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Administrative Agent could purchase the Original Currency with the Other Currency on the Business Day preceding the day on which final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied.
- (2) The obligations of the Borrower in respect of any sum due in the Original Currency from it to any Secured Party under any of the Credit Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Other Currency, the Administrative Agent may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Secured Parties in the Original Currency, the Borrower agrees, as a separate obligation and notwithstanding the judgment, to indemnify each of the Secured Parties, against any loss, and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Secured Parties in the Original Currency, the Secured Parties shall remit such excess to the Borrower.

Section 10.7 Governing Law; Jurisdiction; Etc.

- (1) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.
- (2) The parties hereto do hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Agreement or any of the transactions contemplated thereby.

Section 10.8 Waiver of Jury Trial.

Each party hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Credit Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory).

Section 10.9 No Partnership, etc.

Except as expressly provided for herein, the parties agree that nothing contained in this Agreement nor the conduct of any party will in any manner whatsoever constitute or be intended to constitute any party as the agent or representative or fiduciary of any other party nor constitute or be intended to constitute a partnership or joint venture among the parties or any of them, but rather each party will be separately responsible, liable and accountable for its own obligations under the Credit Documents, or any conduct arising therefrom and for all claims, demands, actions and causes of action arising therefrom. The parties agree that no party will have the authority or represent that it has, or hold itself out as having, the authority to act for or assume any obligation or responsibility on behalf of any other party, save and except as may be expressly provided for in this Agreement.

Section 10.10 Counterparts.

The Credit Documents may be executed in any number of counterparts (including by facsimile transmission or other electronic transmission) and by different parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument.

Section 10.11 Electronic Execution.

The words "execution", "signed", "signature" and words of like import on any document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for by any law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be.

Section 10.12 Waiver of Law.

To the extent legally permitted, the Borrower hereby irrevocably and absolutely waives the provisions of any Applicable Law which may be inconsistent at any time with, or which may delay or limit in any way, the enforcement of the Credit Documents in accordance with their terms.

Section 10.13 Entire Agreement.

This Agreement and the other Credit Documents constitute the entire agreement among the parties party hereto, and cancels and supersedes any other agreements, undertakings, declarations, representations and warranties, written or verbal among all such parties in respect of the subject matter of this Agreement.

Section 10.14 Treatment of Certain Information; Confidentiality.

- (1) The Administrative Agent, the Collateral Agent and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to them, their Affiliates, the Swap Counterparty and their and their Affiliates' respective partners, directors, officers, employees, managers, administrators, trustees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Law or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in

connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.14 to (i) any assignee of, or any prospective assignee of, any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its partners, directors, officers, employees, managers, administrators, trustees, agents, advisors or other representatives) to any swap, derivative, credit-linked note or similar transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, the Collateral Agent any Lender or any Credit Party.

- (2) For purposes of this Section, "**Information**" means all information received in connection with this Agreement from any of the Credit Parties or any of their respective Subsidiaries relating to any of the Credit Parties or any of their respective Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, the Collateral Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section 10.14 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent, the Collateral Agent and any Lender may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

Section 10.15 Changes in LMR.

If (a) as a result of any change in any Applicable Law, rule, policy, regulation, order or directive, any applicable Energy Regulator ceases to use a liability management (or equivalent) rating as a means of determining whether a Person is in compliance with its abandonment and reclamation policies, regulations and directives in any Applicable LMR Jurisdiction, (b) the method of calculation of such liability management rating changes in any material manner in any Applicable LMR Jurisdiction, or (c) the threshold for which license transfers of regulated properties shall be permitted under an Energy Regulator's licensee liability regime in any Applicable LMR Jurisdiction changes, then, in any such case, the Borrower and the Lenders shall enter into good faith discussions with a view to determining a comparable rating system or threshold, as applicable, to replace the concept of LMR as set forth herein that is, at such time, broadly accepted as the prevailing market practice for such regulation in such Applicable LMR Jurisdiction, with the intent of having the respective positions of the Lenders and the Borrower after such change conform as nearly as possible to their respective positions immediately prior to such change. Upon the Borrower and the Lenders agreeing on such methodology for determining LMR and the thresholds set forth herein, the Borrower and the Lenders shall enter into documentation to amend the provisions hereof to refer to such rate and make all other adjustments incidental thereto. The parties hereto agree that such amendment shall require the consent of the Majority Lenders notwithstanding anything to the contrary set out herein.

Section 10.16 Acknowledgment Regarding Any Supported QFCs.

To the extent that the Credit Documents and the Permitted Swap Agreement provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (in this Section 10.16, such support, "**QFC Credit Support**" and each such QFC a "**Supported QFC**"), the Borrower, the Administrative Agent and the Lenders acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit

Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (in this Section 10.16, together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Lender Secured Documents and any Supported QFC may in fact be stated to be governed by the laws of the Province of Alberta, Canada and/or any other Province of Canada):

- (a) In the event a Covered Entity that is party to a Supported QFC (in this Section 10.16, each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Lender Secured Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Lender Secured Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

- (b) As used in this Section 10.16, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

- (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 10.17 No Fiduciary Duty.

The Lenders and their Affiliates (collectively, solely for purposes of this Section 10.16, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their shareholders and their Affiliates. The Credit Parties agree that nothing in the Credit Documents will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Credit Parties, and their respective shareholders or its Affiliates, on the other

hand. The Credit Parties acknowledge and agree that (a) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other hand, and (b) in connection therewith and with the process leading thereto, (i) the Lenders have not assumed an advisory or fiduciary responsibility in favour of the Credit Parties, its shareholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether the Lenders have advised, is currently advising or will advise the Credit Parties, its shareholders or its Affiliates on other matters) or any other obligation to the Credit Parties except the obligations expressly set forth in the Credit Documents and (ii) the Lenders are acting solely as principal and not as the agent or fiduciary of the Credit Parties, its management, shareholders, creditors or any other person. The Credit Parties acknowledge and agree that the Credit Parties have consulted their own legal and financial advisors to the extent they deemed appropriate and that they are responsible for making their own independent judgment with respect to such transactions and the process leading thereto. The Credit Parties agree that they will not claim that the Lenders have rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Credit Parties, in connection with such transactions or the process leading thereto.

[Remainder of Page Left Intentionally Blank]

DATED as of the date first written above.

GRIFFON PARTNERS OPERATION CORP., as
Borrower

Per:



Name: Daryl Stepanic

Title: Chief Executive Officer

DATED as of the date first written above.

**GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD., as Guarantor**

Per:

A handwritten signature in dark ink, appearing to read "E. Choquette", is written over a horizontal line.

Name: Elliott Choquette

Title: President

DATED as of the date first written above.

GRIFFON PARTNERS HOLDING CORP., as
Guarantor

Per:



Name: Daryl Stepanic

Title: Chief Executive Officer

GLAS USA LLC, as Administrative Agent


Per:



Name: Yana Kislenko
Title: Vice President

GLAS AMERICAS LLC, as Collateral Agent

Per:



Name: Yana Kislenko
Title: Vice President

TRAFIGURA CANADA LIMITED, as Lender

Per:


Name: **Iain Singer**
Title: **Director**

SIGNAL ALPHA C4 LIMITED, as Lender

Per:

A handwritten signature in black ink, appearing to read 'BTroy', written over a horizontal line.

Name: Bradley Troy

Title: DIRECTOR

SCHEDULE A
LEASED PROPERTIES

Nil.

SCHEDULE B

OWNED PROPERTIES

1. The fee title interest in surface parcel #119169074 as Lot 13 Blk/Par 4 Plan No G470 Extension 0 as described on Certificate of Title 92S38420.

SCHEDULE 2.5

AMORTIZATION SCHEDULE

US\$1,328,502.415 per month starting on October 1, 2022.

SCHEDULE 5.1(a)

JURISDICTIONS OF INCORPORATION

Griffon Partners Capital Management Ltd. – Alberta

Griffon Partners Holding Corp. – Alberta

Griffon Partners Operation Corp. – Alberta

2437801 Alberta Ltd. – Alberta

2437799 Alberta Ltd. – Alberta

2437815 Alberta Ltd. – Alberta

Stellion Limited – Cyprus

Spicelo Limited – Cyprus

SCHEDULE 5.1(p)
ENVIRONMENTAL LAWS

Nil.

SCHEDULE 5.1(s)
MATERIAL AGREEMENTS

Nil.

SCHEDULE 5.1(w)

CORPORATE STRUCTURE

Credit Party	Jurisdiction of Formation	Chief Executive Office	Registered Office	Location of Assets	Tradenames
Griffon Partners Capital Management Ltd.	Alberta	900, 140 Fourth Avenue SW Calgary, Alberta T2P 3N3	800, 333 – 7th Avenue SW Calgary, AB T2P 2Z1	Alberta	Nil
Griffon Partners Holding Corp.	Alberta	900, 140 Fourth Avenue SW Calgary, Alberta T2P 3N3	2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1	Alberta	Nil
Griffon Partners Operation Corp.	Alberta	900, 140 Fourth Avenue SW Calgary, Alberta T2P 3N3	2400, 525 – 8th Avenue SW Calgary, AB T2P 1G1	Alberta	Nil
Stellion Limited	Cyprus	N/A	Megalou Alexandrou, 17 Aglantzia, 2121, Nicosia, Cyprus	N/A	N/A
2437815 Alberta Ltd.	Alberta	203 – 600 Princeton Way SW Calgary, Alberta T2P 5N4	2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1	N/A	N/A
2437799 Alberta Ltd.	Alberta	10735 Willowfern Dr. SE Calgary, Alberta T2J 1R3	2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1	N/A	N/A
2437801 Alberta Ltd.	Alberta	305 – 605 7 Avenue NE Calgary, Alberta T2E 0N4	2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1	N/A	N/A
Spicelo Limited	Cyprus	N/A	Megalou Alexandrou, 17 Aglantzia, 2121, Nicosia, Cyprus	N/A	N/A

Issued Capital of Griffon Partners Capital Management Ltd.

Shareholder	Share Class	Number of Shares	Share Certificate
Stellion Limited	Class A Common	1	A-9

2437801 Alberta Ltd.	Class A Common	1	A-10
2437799 Alberta Ltd.	Class A Common	1	A-11
2437815 Alberta Ltd.	Class A Common	1	A-12
Stellion Limited	Class B Common	79,500	B-1
2437801 Alberta Ltd.	Class B Common	8,500	B-5
2437799 Alberta Ltd.	Class B Common	6,000	B-6
2437815 Alberta Ltd.	Class B Common	6,000	B-7

Issued Capital of Griffon Partners Holding Corp.

Shareholder	Share Class	Number of Shares	Share Certificate
Griffon Partners Capital Management Ltd.	Common Shares	60,000	C-1

Issued Capital of Griffon Partners Operation Corp.

Shareholder	Share Class	Number of Shares	Share Certificate
Griffon Partners Holding Corp.	Common Shares	1,000	C-2

EXHIBIT 1

FORM OF COMPLIANCE CERTIFICATE

COMPLIANCE CERTIFICATE

DATE: [●], 202[●]

TO: [●], as Administrative Agent (as defined in the Loan Agreement defined below)

AND TO: The Lenders (as defined in the Loan Agreement defined below)

RE: Loan agreement dated as of [●], 2022 (as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the “**Loan Agreement**”, the terms defined therein being used herein are as therein defined) among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and [Blocker Co], as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as Lenders, GLAS USA LLC, as Administrative Agent, and GLAS Americas LLC, as Collateral Agent

This Compliance Certificate is delivered pursuant to Section 6.1(a)(iii) of the Loan Agreement.

I, [●], am the duly appointed [●] of the Borrower, and hereby certify for and on behalf of the Borrower and not in my personal capacity and without assuming any personal liability whatsoever, as follows:

1. This Compliance Certificate applies to the Financial [Quarter/Year] ending [●], 20[●] (the “**Statement Date**”)
2. I have read the provisions of the Loan Agreement which are relevant to this Compliance Certificate and have made or caused to be made such examinations or investigations as are necessary to enable me to express an informed opinion on the matters contained in this Compliance Certificate.
3. The following calculations were true and correct and the Borrower is in compliance with all of the financial covenants set forth in Section 6.3 of the Loan Agreement for the period ended as of the Statement Date:
 - (a) PDP Coverage Ratio [●]:1
 - (b) Current Ratio [●]:1
 - (c) Total Leverage Ratio Ratio [●]:1
 - (d) Liquidity \$ _____
4. As of the Statement Date:
 - (a) the Excess Cash Flow for the Financial Quarter ending on the Statement Date was \$ _____; and
 - (b) the Credit Parties have received the following amounts in the Financial Quarter ending on the Statement Date:

- (i) \$_____ of Net Proceeds arising from any sale or other Disposition relating to all or any part of the Collateral or any interest therein;
- (ii) \$_____ of Net Proceeds from any issuance of Debt for borrowed money, including by way of bonds, promissory notes, debentures or similar evidences of indebtedness by the Credit Parties;
- (iii) \$_____ of Net Proceeds from any issuance of Equity Securities by the Credit Parties;
- (iv) \$_____ of Net Proceeds of insurance;
- (v) \$_____ of grants, rebates or refunds received by the Borrower from any Governmental Authority except to the extent that any such grants, rebates or refunds are in accordance with the terms thereof required by the applicable Governmental Authority to be used for a particular purpose other than for the repayment of Debt; and
- (vi) \$_____ received from Spicelo Limited pursuant to Section 37(s) of the Greenfire Pledge.

All amounts referred to in this paragraph (b) have been paid in full to the Administrative Agent pursuant to Section 2.5(4) of the Loan Agreement.

5. As at this date:

- (a) the LMR of the Borrower in each Applicable LMR Jurisdiction is as follows:

Applicable LMR Jurisdiction	LMR
_____	_____

- (b) the Borrower has paid all amounts required to be paid by it pursuant to Section 2.5 of the Loan Agreement, including the amount of \$_____ pursuant to Section 2.5(3);
- (c) no Default or Event of Default has occurred and is continuing;
- (d) the representations and warranties of each of the Credit Parties referred to in Section 5.1 of the Loan Agreement and each other Loan Document to which such Credit Party is a party are true and correct as though made on this date, except to the extent any such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date;
- (e) the financial information and calculations attached as Schedule I hereto are true and correct in all material respects, as of the dates or for the periods, as applicable, specified on such Schedule;
- (f) there has been no change to the Owned Properties of the Borrower listed on Schedule B to the Loan Agreement since the date of the **[Loan Agreement / the most recent Compliance Certificate delivered pursuant to Section 6.1(a)(iii) of the Loan Agreement]** other than **[(i)]** lands and premises sold or otherwise disposed of as permitted in this Agreement as and from the date of such sale or disposition **[, and (ii) those lands and premises which are listed on Schedule II hereto];**

- (g) the completed "LMR and Decommissioning Expense Worksheet" as required pursuant to Section 6.1(b)(xi) of the Loan Agreement **[is all attached hereto as Schedule III] [has been delivered to the Administrative Agent concurrently herewith].**

[Remainder of page intentionally blank]

DATED as of the date first written above.

GRIFFON PARTNERS OPERATION CORP.

Per:

Name:

Title:

SCHEDULE I

[●]

[SCHEDULE II]

[OWNED PROPERTIES]

[●]

[SCHEDULE III]

[LMR AND DECOMMISSIONING EXPENSE WORKSHEET]

[see attached]

EXHIBIT 2

FORM OF ENVIRONMENTAL CERTIFICATE

ENVIRONMENTAL CERTIFICATE OF GRIFFON PARTNERS OPERATION CORP.

DATE: [●], 202[●]

TO: [●], as Administrative Agent (as defined in the Loan Agreement defined below)

AND TO: The Lenders (as defined in the Loan Agreement defined below)

RE: Loan agreement dated as of [●], 2022 (as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the “**Loan Agreement**”, the terms defined therein being used herein are as therein defined) among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and [Blocker Co], as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as Lenders, GLAS USA LLC, as Administrative Agent, and GLAS Americas LLC, as Collateral Agent

This Environmental Certificate is delivered pursuant to [Section 4.1(a)(xvi) / Section 6.1(a)(v)] of the Loan Agreement.

I, [●], am the duly appointed [●] of the Borrower, and hereby certify for and on behalf of the Borrower and not in my personal capacity and without assuming any personal liability whatsoever, as follows:

1. The following certifications are made to the best of my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Borrower to confirm that the internal environmental reporting and response procedures of the Borrower have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct, and that matters reported on by such officers and staff are true and correct.
2. The following certifications in paragraphs 3 through 8 are qualified as to (a) the matters, if any, disclosed in Exhibit 1 hereto, and (b) any breach of, or failure to comply with, any Environmental Laws, provided that the breach or failure to comply has not had, or could not reasonably be expected to have (whether on an individual or cumulative basis), a Material Adverse Effect.
3. The property to be acquired by the Borrower under the Acquisition Agreement is owned, leased, managed, controlled or operated, in compliance with Environmental Laws.
4. There are no existing, pending or threatened (by written notice):
 - (a) claims, complaints, notices or requests for information received from a Governmental Authority by the Borrower, or of which any of the Borrower is otherwise aware, with respect to any alleged violation of or alleged liability under any Environmental Laws by the Borrower; or
 - (b) stop, cleanup or preventative orders, direction or action requests, notice of which has been received from an Governmental Authority by the Borrower or of which the Borrower is otherwise aware, relating to the Environment which as a result thereof, requires any work, repair, remediation, cleanup, construction or capital expenditure with respect to any property owned, leased, managed, controlled or operated by the Borrower.

5. Except in compliance with Environmental Laws, no Contaminant has been received, handled, used, stored, treated or shipped at or from, and there has been no discharge or Release of a Contaminant at, on, from or under any property owned, leased, managed, controlled or operated by the Borrower. In this certificate, "**Release**" includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.
6. None of the lands and facilities owned, leased, managed, controlled or operated by the Borrower, have been used as a land fill site or, except in compliance with Environmental Laws, as a waste disposal site.
7. No condition exists, at, on or under any of the premises or facilities owned, leased, managed, controlled or operated by the Borrower, which with the passage of time, or the giving of notice or both, has given rise to or could reasonably be expected to give rise to a violation or liability under any Environmental Laws.
8. The Borrower has obtained all permits, licenses and other authorizations (collectively, the "**Permits**") which are required under Environmental Laws and are in compliance with all terms and conditions of all Permits and each of the Permits is in full force and effect and unrevoked as of the date of this Certificate.
9. The Borrower is not aware of any matter affecting the Environment which has had or could reasonably be expected to have a Material Adverse Effect.
10. The undersigned acknowledges that the Administrative Agent and each Lender are relying on this certificate in connection with the Advance made under the Loan Agreement.

[Remainder of page intentionally blank]

DATED as of the date first written above.

GRIFFON PARTNERS OPERATION CORP.

Per:

Name:

Title:

EXHIBIT 1 TO ENVIRONMENTAL CERTIFICATE

[NIL]

EXHIBIT 3

FORM OF OIL AND GAS OWNERSHIP CERTIFICATE

OIL AND GAS OWNERSHIP CERTIFICATE OF GRIFFON PARTNERS OPERATION CORP.

DATE: [●], 202[●]

TO: [●], as Administrative Agent (as defined in the Loan Agreement defined below)

AND TO: The Lenders (as defined in the Loan Agreement defined below)

RE: Loan agreement dated as of [●], 2022 (as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the “**Loan Agreement**”, the terms defined therein being used herein are as therein defined) among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and [Blocker Co], as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as Lenders, GLAS USA LLC, as Administrative Agent, and GLAS Americas LLC, as Collateral Agent

This Oil and Gas Ownership Certificate is delivered pursuant to [Section 4.1(a)(xv) / Section 6.1(a)(v)] of the Loan Agreement.

I, [●], am the duly appointed [●] of the Borrower, and hereby certify for and on behalf of the Borrower and not in my personal capacity and without assuming any personal liability whatsoever, as follows:

1. I have made or caused to be made due inquiries and review of all documents, correspondence and other materials (the “**Title Enquiries**”) relating to the P&NG Rights and lands or interests in lands (the “**Lands**”) described in the [●] dated as of [●], 202[●] on certain properties (the “**Engineering Report[s]**”) [to be acquired by the Borrower pursuant to the Acquisition Agreement] / [owned by the Borrower].
2. Based upon the Title Enquiries, I have no knowledge, information or belief that there exists any provision in any agreement, contract or document pertaining to the Lands which prevents the Borrower from providing a Lien over such Lands to the Collateral Agent, for the benefit of the Secured Parties, or which would prevent the Collateral Agent from enforcing and realizing on such Security in the event of a default thereunder other than the requirement to obtain the consent and/or waiver of a right of first refusal in the event of the sale of the Lands on the realization and enforcement of such Security.
3. Based upon the Title Enquiries, to the best of my knowledge, information and belief, the Borrower is, effective the date hereof, or will be, effective the Closing Date, possessed of and is the beneficial owner of the respective working, royalty and other interests set forth in the Engineering Report[s] with respect to the Lands, subject to any Permitted Liens and to minor defects of title which in the aggregate do not affect their rights of ownership therein or the value thereof in any way which would reasonably expected to have a Material Adverse Effect or to which the Administrative Agent and the Lenders have consented in writing.
4. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default (by the Borrower or for which the Borrower is liable, including, without limitation, by any operation of the Lands) of payment of royalties in connection with the Lands

which have accrued due by reason of production since any royalty payment dates, as prescribed by statute or agreement, immediately preceding the date of this certificate which could reasonably be expected to have a Material Adverse Effect and neither the Borrower nor any Person on behalf of the Borrower (including, without limitation, any operator of the Lands) has received notice of default of any obligation imposed on it by any farm-out, operating agreement or any other contract or agreement in respect of the Lands which, in any case, could reasonably be expected to have a Material Adverse Effect and, to the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default of any such obligation which could reasonably be expected to have a Material Adverse Effect.

5. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, neither the Borrower nor any Person on behalf of the Borrower (including, without limitation, any operator of the Lands) has received notice of any claim adverse to the Borrower's working, royalty and other interests in the Lands which if successfully asserted would reasonably be expected to have a Material Adverse Effect and there are no Liens or adverse claims, other than the Permitted Liens, which affect the title of the Borrower to its respective interests in the Lands which in any way could reasonably be expected to have a Material Adverse Effect.
6. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there are at present no outstanding unfulfilled obligations being enforced under any lease or contract pertaining to the Lands which could reasonably be expected to have a Material Adverse Effect and the Borrower's working, royalty and other interests in the Lands are not subject to any contractual obligations or conditions which are reasonably expected to result in the diminishment or forfeiture of those working, royalty and other interests, except those which are not prohibited by the Loan Agreement or which are accounted for in the Engineering Report[s].
7. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, all of the working, royalty and other interests of the Borrower in respect of petroleum and natural gas rights described in the Engineering Report[s] are accurately reflected in the Engineering Report[s] in all material respects.
8. The undersigned acknowledges that the Administrative Agent and each Lender are relying on this certificate in connection with the Advance made under the Loan Agreement.

[Remainder of page intentionally blank]

DATED as of the date first written above.

GRIFFON PARTNERS OPERATION CORP.

Per:

Name:

Title:

EXHIBIT 4

FORM OF NOTICE OF ADVANCE

NOTICE OF ADVANCE

DATE: [●], 202[●]

TO: [●], as Administrative Agent (as defined in the Loan Agreement defined below)

AND TO: The Lenders (as defined in the Loan Agreement defined below)

RE: Loan agreement dated as of [●], 2022 (as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the “**Loan Agreement**”, the terms defined therein being used herein as therein defined) among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and [Blocker Co], as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as Lenders, GLAS USA LLC, as Administrative Agent, and GLAS Americas LLC, as Collateral Agent

Dear Mesdames/Sirs:

The undersigned gives you notice pursuant to Section 2.4 of the Loan Agreement that the Borrower requests an Advance under the Loan Agreement, and, in that connection, sets forth below the information relating to the Advance:

1. The date of the Advance, being a Business Day, is [●], 2022 (the “**Proposed Borrowing Date**”).
2. The aggregate amount of the Advance is \$[●], which will be used for the use and purposes set out in Section 2.3 of the Loan Agreement.

All of the representations and warranties of each Credit Party contained in the Loan Agreement and each other Loan Document to which such Credit Party is a party are true and correct on and as of the date hereof as though made on and as of the date hereof (and will be true and correct on and as of the Proposed Borrowing Date specified above as though made on and as of such date), in any such case, except to the extent any such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date.

All of the covenants of each of the Credit Parties contained in the Loan Documents to which such Credit Party is a party have been performed or shall be performed on the date of the Advance, and all of the other conditions precedent to the Advance requested hereby, and all other terms and conditions contained in the Loan Agreement to be complied with by such Credit Party have been or shall be complied with concurrently with, or immediately following, the funding of the Advance, in each case, fully met or performed.

No Default or Event of Default under the Loan Agreement has occurred and is continuing nor will any Default or Event of Default occur as a result of the Advance being requested or the application by the Borrower of the proceeds thereof.

[Remainder of page intentionally blank]

Yours truly,

GRIFFON PARTNERS OPERATION CORP.

Per:

Name:

Title:

**FIRST AMENDING AGREEMENT
TO THE GRIFFON PARTNERS OPERATION CORP.
LOAN AGREEMENT**

THIS FIRST AMENDING AGREEMENT is made effective as of August 31, 2022.

AMONG:

GRIFFON PARTNERS OPERATION CORP.
(as Borrower)

- and -

**GRIFFON PARTNERS CAPITAL MANAGEMENT LTD. AND
GRIFFON PARTNERS HOLDING CORP.**
(as Guarantors)

- and -

TRAFIGURA CANADA LIMITED AND SIGNAL ALPHA C4 LIMITED
(as Lenders)

- and -

GLAS USA LLC
(as Administrative Agent)

- and -

GLAS AMERICAS LLC
(as Administrative Agent)

PREAMBLE:

- A. Pursuant to the loan agreement among Griffon Partners Operation Corp., as borrower (the "**Borrower**"), Griffon Partners Capital Management Ltd. And Griffon Partners Holding Corp., as guarantors (the "**Guarantors**"), Trafigura Canada Limited and Signal Alpha C4 Limited, as lenders (collectively, the "**Lenders**" and, each individually, a "**Lender**"), GLAS USA LLC, as administrative agent of the Lenders (in such capacity, the "**Administrative Agent**") and GLAS Americas LLC, as collateral agent of the Lenders (in such capacity, the "**Collateral Agent**") (the "**Loan Agreement**"), the Lenders agreed to provide the certain loans to the Borrower.
- B. The Borrower and the Lenders have agreed that each of the Supplemental Security Documents (as defined in the Loan Agreement immediately prior to the date hereof) may become a Shared Security Document such that all of such Supplemental Security Documents shall be held by the Collateral Agent for the benefit of the Secured Parties.
- C. In connection with the foregoing, the parties hereto wish to provide for certain acknowledgements and confirmations and to amend the Loan Agreement on the terms and conditions herein provided.

AGREEMENT:

NOW THEREFORE in consideration of the premises, the covenants and the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged between the parties hereto, the parties hereto agree as follows:

1. **Definitions.** Capitalized terms used in this first amending agreement (the "**First Amending Agreement**") will, including in the recitals hereto, unless otherwise defined herein, have the meanings attributed to such terms in the Loan Agreement, as amended by this First Amending Agreement (as amended, the "**Amended Loan Agreement**").

2. **Amendments to the Loan Agreement.** Upon this First Amending Agreement becoming effective, the Loan Agreement is amended as follows:

- (a) the following definition shall be inserted in Section 1.1 immediately following the definition of "Financial Year":

"**First Amendment**" means the first amending agreement to this Agreement dated as of August 31, 2022 among the Borrower, the Guarantors, the Lenders, the Collateral Agent and the Administrative Agent.";

- (b) the definitions of "Greenfire Pledge" and "Greenfire Shares" in Section 1.1 are hereby deleted and replaced as follows:

"**Greenfire Pledge**" has the meaning specified in Section 3.1(1)(e).

"**Greenfire Shares**" has the meaning specified in Section 3.1(1)(e).";

- (c) the definition of "Secured Obligations" in Section 1.1 is hereby deleted and replaced as follows:

"**Secured Obligations**" means: (a) in respect of each Credit Party in existence as of the date of the First Amendment, the Obligations and the Swap Obligations, and (b) in respect of each other Person that may become a Credit Party from time to time (other than each Credit Party in existence as of the date of the First Amendment), the Obligations.";

- (d) the definition of "Secured Parties" in Section 1.1 is hereby deleted and replaced as follows:

"**Secured Parties**" means, collectively, the Administrative Agent, the Collateral Agent, each of the Lenders and the Swap Counterparty, in each case from time to time, including any successors or assigns of any such Persons, except for those cases where the Secured Documents provide that the Secured Parties shall not include the Swap Counterparty.";

- (e) the definition of "Shared Security Documents" in Section 1.1 is hereby deleted and replaced as follows:

"**Shared Security Documents**" means the agreements described as such in Section 3.1(1), and any other security granted to the Collateral Agent, for the benefit of the Secured Parties that secures, or is required to secure, the Secured Obligations of each of the Credit Parties in existence as of the date of the First Amendment under this Agreement, the other Credit Documents and the Permitted Swap Agreement, or any of them.";

- (f) the definition of "Supplemental Security Documents" in Section 1.1 is hereby deleted and replaced as follows:

“**Supplemental Security Documents**” means the agreements described in Section 3.1(2) granted to the Collateral Agent, for the benefit of the Lenders, the Administrative Agent and the Collateral Agent, by any of the Persons that may become Credit Parties from time to time (other than the Credit Parties in existence as of the date of the First Amendment), in each case as security for the Secured Obligations of such Credit Parties under this Agreement and the other Credit Documents, or any of them.”;

- (g) Section 3.1 is hereby deleted and replaced as follows:

“Section 3.1 Security.

- (1) The present and future Secured Obligations of the Credit Parties in existence as of the date of the First Amendment to the Secured Parties under the Credit Documents and the Permitted Swap Agreement, and all other Secured Obligations of such Credit Parties to the Secured Parties, howsoever arising or incurred hereunder and under the Credit Documents and the Permitted Swap Agreement will be secured by the following Security Documents, each in a form acceptable to the Collateral Agent and the Lenders, acting reasonably:

- (a) in respect of the Borrower:

- (i) a fixed and floating charge debenture from the Borrower granting a security interest over all present and after-acquired real and personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party); and
- (ii) the Blocked Account Agreement;

- (b) in respect of GPHC:

- (i) a full unconditional guarantee of all Secured Obligations of the Credit Parties (other than GPHC);
- (ii) a fixed and floating charge debenture from GPHC granting a security interest over all present and after-acquired real and personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party); and
- (iii) a securities pledge agreement in respect of all of the issued and outstanding Equity Securities in the capital of the Borrower;

- (c) in respect of GPCM:

- (i) a full unconditional guarantee of all Obligations of the Credit Parties (other than GPCM);
- (ii) a fixed and floating charge debenture from GPCM granting a security interest over all present and after-acquired personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party); and

- (iii) a securities pledge agreement in respect of all of the issued and outstanding Equity Securities in the capital of GPHC;
 - (d) in respect of each GPCM Shareholder Guarantor, a limited recourse guarantee (with recourse limited to such GPCM Shareholder Guarantor's Equity Securities in the capital of GPCM) of all Obligations with a pledge of all of such GPCM Shareholder Guarantor's issued and outstanding Equity Securities in the capital of GPCM
 - (e) in respect of Spicelo Limited, a limited recourse guarantee (with recourse limited to 1,125,002 common shares in the capital of the Greenfire Resources Inc. owned by Spicelo Limited (the "**Greenfire Shares**")) of all Obligations with a pledge of the issued and outstanding Greenfire Shares (the "**Greenfire Pledge**"); and
 - (f) if requested by the Collateral Agent upon the direction of the Majority Lenders or the Swap Counterparty, such documents and instruments providing a fixed Lien in accordance with Section 3.5.
- (2) The present and future Obligations of the Credit Parties from time to time (other than the Credit Parties in existence as of the date of the First Amendment) to the Secured Parties under the Credit Documents, and all other Obligations of such Credit Parties to the Secured Parties, howsoever arising or incurred hereunder and under the Credit Documents will be secured by the following Security Documents, each in a form acceptable to the Collateral Agent and the Lenders, acting reasonably:
- (a) a full unconditional guarantee of all Obligations of the Credit Parties (other than such Credit Party);
 - (b) a fixed and floating charge debenture from such Credit Party granting a security interest over all present and after-acquired personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party);
 - (c) a securities pledge agreement in respect of all of the issued and outstanding Equity Securities held by such Credit Party; and
 - (d) if requested by the Collateral Agent upon the direction of the Majority Lenders, such documents and instruments providing a fixed Lien in accordance with Section 3.5.";
- (f) Section 3.7(1) is amended by deleting the reference to "the Borrower and GPHC" and replacing it with "each Credit Party in existence as of the date of the First Amendment";
 - (g) Section 6.2(e) is amended by deleting the reference to "the Borrower and GPHC" and replacing it with "each Credit Party in existence as of the date of the First Amendment"; and
 - (h) Schedule 2.5 is amended by deleting the provisions thereof and replacing them as follows:
 "US\$1,281,055.90 per month starting on October 1, 2022.".

3. **Effectiveness.** This First Amending Agreement shall become effective upon execution and delivery of this First Amending Agreement by the parties hereto.

4. **Confirmation of Guarantee and Security.** Each of the Borrower and the Guarantors agrees with and confirms to the Administrative Agent, the Collateral Agent and the Lenders that as of the date hereof, the Security (including, for certainty, any guarantee granted by the Guarantors in connection with the Loan Agreement (collectively, the " **Guarantees**")) is and shall remain in full force and effect in all respects and shall continue to exist and apply to all of the Secured Obligations of each of them (and, in the case of the Guarantees, all Obligations (as defined in such Guarantees)) under, pursuant or relating to the Amended Loan Agreement. This confirmation of guarantee and security is in addition to and shall not limit, derogate from or otherwise affect any provisions of such Security (including, for certainty, the Guarantees).

5. **Governing Law.** This First Amending Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

6. **Continuing Effect.** Each of the parties hereto acknowledges and agrees that the Loan Agreement, as amended by this First Amending Agreement, the Security and all other documents executed and delivered pursuant thereto or in connection therewith, will be and continue in full force and effect and are hereby confirmed and the rights and obligations of all parties thereunder will not be effected or prejudiced in any manner except as specifically provided herein.

7. **Further Assurances.** The Borrower and the Guarantors will from time to time forthwith at the Agent's request and at the Borrower's own cost and expense, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Lenders and as are consistent with the intention of the parties hereto as evidenced herein, with respect to all matters arising under this First Amending Agreement.

8. **Electronic Execution of Documents.** This First Amending Agreement may be signed by way of associating or otherwise appending an electronic signature or other facsimile signature of the applicable signatory and the words "execution", "signed", "signature", and words of like import in this First Amending Agreement shall be deemed to include electronic signatures or other facsimile signature, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for by any law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

9. **Counterparts.** This First Amending Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party may execute this First Amending Agreement by signing any counterpart.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have caused this First Amending Agreement to be duly executed by their respective authorized officers as of the date and year first written above.

GRIFFON PARTNERS OPERATION CORP., as
Borrower

Per:



Name: Daryl Stepanic

Title: Chief Executive Officer

**GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD., as Guarantor**

Per: 

Name: Elliott Choquette

Title: President

GRIFFON PARTNERS HOLDING CORP., as
Guarantor


Per:



Name: Daryl Stepanic

Title: Chief Executive Officer

GLAS USA LLC, as Administrative Agent

Per: 

Name:	Yana Kislenko
Title:	Vice President

GLAS AMERICAS LLC, as Collateral Agent

Per:



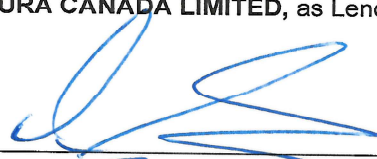
Name: Yana Kislenko
Title: Vice President

TRAFIGURA CANADA LIMITED, as Lender

Per:

Name:

Title:



Paul Smith

Director

SIGNAL ALPHA C4 LIMITED, as Lender

Per:

A handwritten signature in black ink, appearing to read 'BTroy', written over a horizontal line.

Name: Bradley Troy

Title: DIRECTOR

Signature Page to the First Amending Agreement – TrafiguraGriffon Loan Agreement

This is **Exhibit "I"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.

A handwritten signature in blue ink, reading "Julie Treleven", is written over a horizontal line.

Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.

as Chargor

and

GLAS AMERICAS LLC

as Collateral Agent

FIXED AND FLOATING CHARGE DEBENTURE

July 21, 2022

FIXED AND FLOATING CHARGE DEBENTURE

Fixed and floating charge debenture dated as of July 21, 2022 made by Griffon Partners Capital Management Ltd. (the “**Chargor**”) to and in favour of GLAS Americas LLC (the “**Collateral Agent**”) for the benefit of the Secured Parties.

RECITALS:

- (a) The Collateral Agent and the Chargor are each party to a loan agreement dated as of the date hereof (the “**Loan Agreement**”) among Griffon Partners Operation Corp., as borrower (the “**Borrower**”), the Chargor and Griffon Partners Holding Corp., as guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as lenders (collectively, the “**Lenders**”), the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent;
- (b) The Lenders have agreed to make a credit facility available to the Borrower on the terms and conditions contained in the Loan Agreement; and
- (c) It is a condition precedent to the extension of credit to the Borrower under the Loan Agreement that the Chargor execute and deliver this Agreement in favour of the Collateral Agent, for the benefit of the Secured Parties, as security for the payment and performance of the Secured Obligations.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which consideration is hereby acknowledged, the Chargor agrees as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

“**Administrative Agent**” means GLAS USA LLC and its successors and assigns.

“**Agreement**” means this fixed and floating charge debenture.

“**Charge**” means the security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement.

“**Charged Property**” means the subject matter of the Charge.

“**Chargor Obligations**” means all Obligations of the Chargor.

“**Expenses**” means all expenses, costs and charges incurred by or on behalf of any Secured Party in connection with this Agreement, the Charge or the Charged Property, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Charged Property, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the any Secured Party’s interest in any Charged Property, whether or not directly relating to the enforcement of this Agreement or any other Credit Documents.

"Fixtures" means all fixtures (including trade fixtures), facilities and equipment, howsoever affixed or attached to real property or buildings or other structures on real property, now owned or hereafter acquired by the Chargor.

"Loan Agreement" has the meaning set forth in the recitals.

"Permitted Liens" has the meaning set forth in the Loan Agreement.

"PPSA" means the *Personal Property Security Act* (Alberta).

"Receiver" has the meaning specified in Section 4.2(a).

"Secured Obligations" means, collectively, the Chargor Obligations and the Expenses.

"Secured Parties" has the meaning set forth in the Loan Agreement, but for certainty does not include any Swap Counterparty.

Section 1.2 Interpretation.

- (1) Capitalized terms used in this Agreement but not defined have the meanings given to them in the Loan Agreement.
- (2) Any reference in this Agreement, the Loan Agreement or any other Credit Document to Liens permitted hereunder or thereunder and any right of the Chargor to create or suffer to exist Liens permitted hereunder or thereunder are not intended to and do not and will not subordinate the Charge to any such Lien or give priority to any Person over the Collateral Agent.
- (3) In this Agreement the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. The phrase **"the aggregate of"**, **"the total of"**, **"the sum of"**, or a phrase of similar meaning means **"the aggregate (or total or sum), without duplication, of"**. The expression **"Article"**, **"Section"**, **"Schedule"** or other subdivision followed by a number mean and refer to the specified Article, Section, Schedule or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.
- (7) Any reference to this Agreement, the Loan Agreement, any other Credit Document or any other agreement refers to this Agreement, the Loan Agreement, any other Credit Document or other agreement as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented, novated and includes all schedules attached to it. Any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

Section 1.3 Interest Act (Canada).

For purposes of the *Interest Act* (Canada), (i) whenever any interest or fee under this Agreement is calculated using a rate based on a year of 365 days, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 365 days, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 365, (ii) the principle of deemed reinvestment

of interest does not apply to any interest calculation under this Agreement, and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

Section 1.4 Nominal Rates.

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement. All interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, after as well as before maturity, default and judgment. The rates of interest specified in this Agreement are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

ARTICLE 2 ACKNOWLEDGEMENT OF INDEBTEDNESS

Section 2.1 Promise to Pay.

The Chargor, for value received, hereby acknowledges itself indebted to the Collateral Agent and promises to pay ON DEMAND to or to the order of the Collateral Agent, the principal sum of TWO HUNDRED MILLION DOLLARS (\$200,000,000) on presentation and surrender of this Agreement at the offices of the Collateral Agent located at 3 Second Street, Suite 206 Jersey City, NJ 07311, or at such other place as the Collateral Agent may designate by notice in writing to the Chargor, and to pay interest thereon from the date hereof at the rate per annum of twenty percent (20%) in like money at the same place, monthly, on the last day of each month; and, if the Chargor should at any time make default in the payment of any principal or interest, to pay interest on the amount in default both before and after demand, default and judgment, with interest on overdue interest at the same rate in lawful money of Canada at the same place on the same dates.

The Collateral Agent is the Person entitled to receive the principal of, and interest on, this Agreement and all other amounts payable hereunder.

ARTICLE 3 SECURITY

Section 3.1 Grant of Charge.

As security for the due payment and performance of all Secured Obligations, and subject to the provisions of Section 3.5 hereof, the Chargor hereby:

- (a) grants, assigns as security, conveys, mortgages, pledges and charges, as and by way of a fixed and specific mortgage, charge and pledge, to and in favour of the Collateral Agent, for the benefit of the Secured Parties, all of its present and future right, title, interest and estate in and to the lands described in Schedule "A" hereto, together with all of the Chargor's present and future interest in all rights, leases, licenses, easements, rights-of-way, profits-à-prendre, interests in real property, structures, underground facilities, wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter with respect to or constructed or placed on such lands or used in connection with such lands and all accretions, additions and accessions thereto, and any and all proceeds of any of the foregoing;
- (b) grants, assigns, conveys, transfers, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Collateral Agent, for the benefit of the Secured Parties, and grants a continuing security interest to the Collateral Agent, for

the benefit of the Secured Parties, in, all of the Chargor's present and after-acquired personal property including, without limitation, all present and after-acquired right, title and interest in and to all goods, chattel paper, securities, documents of title, instruments, intangibles, investment property and money (as such terms are defined in the PPSA), wherever located; and

- (c) grants, assigns as security, conveys, mortgages and charges, as and by way of a floating charge, to and in favour of the Collateral Agent, for the benefit of the Secured Parties, all of the right, title, interest and estate in and to real property and personal property of the Chargor not subject to the fixed charge in Section 3.1(a) or the security interest in Section 3.1(b), both present and future, of every nature and kind and wherever situate including, without limitation, the Chargor's interest in all rights, leases (including, without limitation, petroleum and/or natural gas leases), licenses, easements, rights-of-way, profits-à-prendre, interests in real property, structures, underground facilities, wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter with respect to or constructed or placed on such real property or used in connection with such real property and all accretions, additions and accessions thereto, which the Chargor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter, and any and all proceeds of any of the foregoing.

Section 3.2 Secured Obligations.

The Charge granted by this Agreement secures the payment and performance of the Secured Obligations.

Section 3.3 Crystallization of Floating Charge.

Without limiting its rights hereunder to crystallize the Charge set forth in Section 3.1(c) above in any other manner, the Collateral Agent, upon the occurrence of and during the continuance of an Event of Default, may to the extent permitted by applicable law crystallize and fix the Charge set forth in Section 3.1(c) above in respect of all or a portion of the Charged Property by notice in writing to the Chargor without any requirement for further intervention by the Collateral Agent (whether by the taking of possession, the appointment of a Receiver or otherwise), but without in any way limiting the powers, rights and remedies of the Collateral Agent hereunder in respect of the Charged Property.

Section 3.4 Attachment.

The Chargor acknowledges that: (i) value has been given; (ii) it has rights in the Charged Property or the power to transfer rights in the Charged Property to the Collateral Agent, for the benefit of the Secured Parties (other than after-acquired Charged Property); (iii) it has not agreed to postpone the time of attachment of the Charge; and (iv) it has received a copy of this Agreement. The Charge is intended to, and shall, attach to the existing Charged Property when the Chargor signs this Agreement, and to any other after-acquired Charged Property subsequently acquired by the Chargor immediately upon the Chargor acquiring any rights in such after-acquired Charged Property.

Section 3.5 Scope of Charge.

- (1) The Charge does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement therefor now held or hereafter acquired by the Chargor, but the Chargor shall thereafter stand possessed of such last day in trust for the Collateral Agent to assign the same to any Person acquiring such term in the course of enforcement of the Charge.
- (2) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Chargor would result in the termination of such agreement, licence, permit or quota (in this Section 3.5 each, a "**Restricted Asset**"), the Charge with respect to each Restricted Asset will

constitute a trust created in favour of the Collateral Agent, for the benefit of the Secured Parties, pursuant to which the Chargor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Collateral Agent on the following basis:

- (a) until the Charge is enforceable and subject to the Loan Agreement, the Chargor is entitled to receive all such proceeds; and
- (b) whenever the Charge is enforceable, (i) all rights of the Chargor to receive such proceeds cease and all such proceeds will be immediately paid over to the Collateral Agent and (ii) the Chargor will take all actions requested by the Collateral Agent to collect and enforce payment and other rights arising under the Restricted Asset.

The Chargor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Collateral Agent in accordance with this Agreement. The Chargor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Collateral Agent, for the benefit of the Secured Parties, in accordance with the terms of this Agreement.

Section 3.6 Chargor Remains Liable.

Notwithstanding the provisions of this Agreement: (i) the Chargor shall remain liable to perform all of its duties and obligations in regard to the Charged Property (including, without limitation, all of its duties and obligations arising under any leases, licenses, permits, reservations, contracts, agreements, instruments, contractual rights and governmental orders, authorizations, licenses and permits now or hereafter pertaining thereto) to the same extent as if this Agreement had not been executed; (ii) the exercise by or on behalf of the Collateral Agent of any of their rights and remedies under or in regard to this Agreement shall not release the Chargor from such duties and obligations in respect of the Charged Property subject to applicable law; and (iii) the Collateral Agent shall have no liability for such duties and obligations by reason of the execution and delivery of this Agreement.

Section 3.7 Protective Disbursements.

If the Chargor fails to perform any of its covenants in this Agreement or otherwise, then the Collateral Agent may, in its absolute discretion, perform any covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, the Collateral Agent may make the payment but is under no obligation to do so. All sums paid or expended by the Collateral Agent are immediately payable by the Chargor, bear interest at the rate set forth in this Agreement and are secured by this Agreement, having the benefit of the Charge in priority to the indebtedness evidenced by this Agreement. No such performance or payment will relieve the Chargor from any default under this Agreement or the consequences of such default.

Section 3.8 Continuing Security.

This Agreement shall be a continuing obligation, shall cover and secure any ultimate balance of the Secured Obligations owing to the Collateral Agent, for the benefit of the Secured Parties, and shall be operative and binding notwithstanding that at any time or times the Secured Obligations may be zero, or that any payments from time to time may be made to the Collateral Agent, for the benefit of the Secured Parties, or any settlements of account effected, or any other thing whatsoever done, suffered or permitted, or any other action short of complete and irrevocable payment of all the Secured Obligations and any other amounts payable hereunder.

ARTICLE 4 ENFORCEMENT

Section 4.1 Enforcement.

The Charge becomes and is enforceable against the Chargor upon the occurrence and during the continuance of an Event of Default.

Section 4.2 Remedies.

Whenever the Charge is enforceable, the Collateral Agent, for and on behalf of the Secured Parties, may, at any time, in its sole discretion, realize upon the Charged Property and the Collateral Agent shall have the following rights and remedies:

- (a) the Collateral Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the Charged Property and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Charged Property or any part thereof; and the term “Collateral Agent” when used in this Section 4.2 shall include any Receiver so appointed and the agents, officers and employees of such Receiver;
- (b) the Collateral Agent may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any part of the Charged Property;
- (c) the Collateral Agent may enter into and take possession of the Charged Property and require the Chargor to make the Charged Property available to the Collateral Agent;
- (d) the Collateral Agent may carry on or concur in the carrying on of all or any part of the business of the Chargor relating to the Charged Property;
- (e) the Collateral Agent may enforce any rights of the Chargor in respect of the Charged Property by any manner permitted by applicable law;
- (f) the Collateral Agent may sell, lease or otherwise dispose of all or any part of the Charged Property, either as a whole or in separate parcels, by public auction, public tender, private tender or private sale at such time or times as the Collateral Agent may determine, with or without notice to the Chargor, either for cash or upon credit or any other arrangement providing for deferred payment, upon such terms and conditions as the Collateral Agent may determine and without notice to the Chargor unless required by applicable law, with or without advertisement, and with or without a reserve bid as the Collateral Agent, in its sole discretion, may see fit, and the Collateral Agent may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time, and may execute and deliver to the purchaser or purchasers of the Charged Property or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or director of the Collateral Agent being hereby constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deeds or conveyances, upon the Charge becoming enforceable, and any such sale made as aforesaid shall be a perpetual bar both in applicable law and in equity against the Chargor and all other Persons claiming all or any part of the Charged Property by, from, through or under the Chargor;
- (g) the Collateral Agent may institute proceedings in any court of competent jurisdiction for sale (including, without limitation, sale by way of a deferred payment arrangement) or foreclosure or lease of all or any part of the Charged Property;

- (h) the Collateral Agent may file proofs of claim and other documents to establish its claims in any proceeding relative to the Chargor;
- (i) the Collateral Agent may accept the Charged Property in satisfaction or partial satisfaction of the Charge upon notice to the Chargor of its intention to do so in the manner required by applicable law;
- (j) the collection of any proceeds arising in respect of the Charged Property; and
- (k) the Collateral Agent may exercise any other right or remedy permitted by applicable law, statute or equity, including, without limitation, all rights and remedies of a Collateral Agent under the PPSA and any other personal property security legislation in any other jurisdictions where the Charged Property may be located.

Section 4.3 Additional Rights.

In addition to the remedies set forth in Section 4.2 and elsewhere in this Agreement, whenever the Charge is enforceable, the Collateral Agent may:

- (a) require the Chargor, at the Chargor's expense, to assemble the Charged Property at a reasonable place or places designated by notice in writing and the Chargor agrees to so assemble the Charged Property promptly upon receipt of such notice;
- (b) require the Chargor, by notice in writing, to disclose to the Collateral Agent the location or locations of the Charged Property and the Chargor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Charged Property and prepare for the disposition of the Charged Property, whether on the premises of the Chargor or otherwise;
- (d) redeem any prior Lien against any Charged Property, procure the transfer of such Lien to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Chargor);
- (e) pay any liability secured by any Lien against any Charged Property or discharge any Lien that may exist or be threatened against the Charged Property (the Chargor will promptly upon receipt of written notice reimburse the Collateral Agent for all such payments);
- (f) to facilitate the realization of the Charged Property, enter upon, occupy and use all or any of the premises, buildings and plant comprising the Charged Property and use all or any of the equipment and other personal property of the Chargor for such time as the Collateral Agent requires to facilitate such realization, free of charge (as between the Chargor and the Collateral Agent), and the Collateral Agent shall not be liable to the Chargor for any act, omission or neglect in so doing or in respect of any rent, charges, depreciation or damages incurred in connection with such actions, unless such act, omission or neglect is caused by gross negligence or wilful default of the Collateral Agent;
- (g) borrow for the purpose of carrying on the business of the Chargor or for the maintenance, preservation or protection of the Charged Property and grant a security interest in the Charged Property, whether or not in priority to the Charge, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Charged Property, and give good and valid receipts and discharges in respect of the

Charged Property and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Chargor; and

- (i) at any public sale, and to the extent permitted by applicable law on any private sale, bid for and purchase any or all of the Charged Property offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Charged Property without any further accountability to the Chargor or any other Person with respect to such holding, retention or disposition, except as required by applicable law. In any such sale to the Collateral Agent, the Collateral Agent may, for the purpose of making payment for all or any part of the Charged Property so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 4.4 Exercise of Remedies.

The remedies under Section 4.2 and Section 4.3 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Collateral Agent however arising or created. The Collateral Agent is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Collateral Agent in respect of the Secured Obligations including the right to claim for any deficiency.

Section 4.5 Appointment of Attorney.

The Chargor hereby irrevocably constitutes and appoints the Collateral Agent (and any director or officer of the Collateral Agent) the true and lawful attorney of the Chargor. As the attorney of the Chargor, the Collateral Agent has the power to exercise for and in the name of the Chargor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Chargor's right (including the right of disposal), title and interest in and to the Charged Property, including the execution, endorsement, delivery and transfer of the Charged Property to the Collateral Agent, its nominees or transferees, and the Collateral Agent and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Charged Property to the same extent as the Chargor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Chargor. This power of attorney extends to and is binding upon the Chargor's successors and permitted assigns. The Chargor authorizes the Collateral Agent to delegate in writing to another Person any power and authority of the Collateral Agent under this power of attorney as may be necessary or desirable in the opinion of the Collateral Agent, and to revoke or suspend such delegation.

Section 4.6 Dealing with the Charged Property.

- (1) Neither the Collateral Agent, any Receiver nor any agent of any of them (including any civil enforcement agent) shall be: (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Charged Property; (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Charged Property or for the purpose of preserving any rights of any Persons; (iii) responsible for any loss occasioned by any sale or other dealing with the Charged Property or by the retention of or failure to sell or otherwise deal with the Charged Property; or (iv) bound to protect the Charged Property from depreciating in value or becoming worthless.
- (2) The Collateral Agent may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Chargor and with other Persons, sureties or securities as they may see fit without prejudice to the Secured Obligations, the liability of the Chargor under the Credit Documents or the rights of the Collateral Agent in respect of the Charged Property.

- (3) The Collateral Agent shall not be obliged to exhaust its recourse against the Chargor or any other Person or against any other security they may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Charged Property in such manner as the Collateral Agent may consider desirable.

Section 4.7 Status of the Receiver.

- (1) Subject to all applicable laws, any Receiver appointed by the Collateral Agent is vested with the rights and remedies which could have been exercised by the Collateral Agent in respect of the Chargor or the Charged Property and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments including, without limitation, any or all of the powers of the Collateral Agent or of the officer or director of the Collateral Agent referred to above. The identity of the Receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Collateral Agent.
- (2) The Receiver shall, for all purposes relating to the Receiver's acts or defaults and remuneration, be deemed to be the agent of the Chargor and not of the Collateral Agent, and the Chargor shall be solely responsible for the Receiver's acts or defaults and remuneration. The Receiver may sell, lease, or otherwise dispose of Charged Property as agent for the Chargor or as agent for the Collateral Agent as the Collateral Agent may determine in its discretion. The Chargor agrees to ratify and confirm all actions of the Receiver acting as agent for the Chargor, and to release and indemnify the Receiver in respect of all such actions.
- (3) All amounts from time to time received by the Collateral Agent or the Receiver may (but need not) be applied in the following order: (i) in discharge of all operating expenses and other outgoings affecting the Charged Property; (ii) in keeping in good standing all Liens on the Charged Property having priority over the Charge; (iii) in payment of the remuneration and disbursements of the Receiver (if any); (iv) in payment to the Collateral Agent of the amounts payable hereunder; (v) to such reserves against potential claims that the Collateral Agent or the Receiver in good faith believes should be maintained, until such potential claims are settled, and the balance, if any, shall be paid as determined by the Collateral Agent in its sole discretion.
- (4) The Collateral Agent, in appointing or refraining from appointing any Receiver, does not incur liability to the Receiver, the Chargor or otherwise and is not responsible for any misconduct or negligence of such Receiver.

Section 4.8 Powers of Privately Appointed Receiver.

Any Receiver appointed by instrument in writing shall, to the extent permitted by applicable law, have power to:

- (a) take possession of, collect and get in all or any part of the Charged Property and, for that purpose, to take proceedings in the name of the Chargor or otherwise, and to make any arrangement or compromise;
- (b) from time to time and without any previous notice or demand and free of charge, enter upon or into and occupy and use all or any part of the premises, buildings, plant and undertaking of or occupied or used by the Chargor without being or being deemed to be a mortgagee in possession;
- (c) carry on or concur in carrying on all or any part of the business of the Chargor;
- (d) borrow or raise money on all or any part of the Charged Property in priority to this Agreement or otherwise for such purposes as may be approved by the Collateral Agent; and

- (e) sell or lease or concur in selling or leasing all or any part of the Charged Property without notice and in such manner as may seem advisable to the Receiver (including, without limitation, sale by way of deferred payment arrangement), and to effect such sale by conveying in the name and on behalf of the Chargor or otherwise.

Section 4.9 Standards of Sale.

Without prejudice to the ability of the Collateral Agent to dispose of the Charged Property in any manner which is commercially reasonable and without limitation to the other provisions of this Agreement, the Chargor acknowledges that, in connection with any enforcement of the Charge provided for herein:

- (a) the Charged Property may be disposed of in whole or in part;
- (b) the Charged Property may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Charged Property may be the Collateral Agent or a customer of any such Person;
- (d) any sale conducted by the Collateral Agent will be at such time and place, on such notice, in accordance with such procedures and on such terms and conditions as the Collateral Agent, in its sole discretion, may deem advantageous;
- (e) the Charged Property may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Charged Property) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Charged Property may be on such terms and conditions as to credit or otherwise as the Collateral Agent, in its sole discretion, may deem advantageous; and
- (g) the Collateral Agent may establish an upset or reserve bid or price in respect of the Charged Property.

Section 4.10 Dealings by Third Parties.

- (a) No Person dealing with the Collateral Agent or an agent or a Receiver is required to determine: (i) whether the Charge has become enforceable; (ii) whether the powers which such Person is purporting to exercise have become exercisable; (iii) whether any money remains due to the Collateral Agent by the Chargor; (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) the propriety or regularity of any sale or any other dealing by the Collateral Agent with the Charged Property; or (vi) how any money paid to the Collateral Agent has been applied.
- (b) Any *bona fide* purchaser of all or any part of the Charged Property from the Collateral Agent or any Receiver or agent will hold the Charged Property absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Chargor, which it specifically waives (to the fullest extent permitted by applicable law) as against any such purchaser and all rights of redemption, stay or appraisal which the Chargor has or may have under any rule of law now existing or hereafter adopted.

Section 4.11 No Right of Set-Off.

The Secured Obligations secured by this Agreement shall be paid when due by the Chargor without regard to any equities existing between the Chargor and any other party including, without limitation, the Collateral Agent or any Secured Party and without regard to any right of set-off or cross-claim or of any other claim or demand of the Chargor against the Collateral Agent or any Secured Party.

ARTICLE 5 COVENANTS

Section 5.1 Covenants of the Chargor.

The Chargor covenants and agrees, acknowledging and confirming that the Collateral Agent is relying on such covenants and agreements, that:

- (a) **Negative Pledge.** The Chargor will not create or suffer to exist any Lien over the Charged Property, except for the Permitted Liens and as otherwise permitted by the Loan Agreement;
- (b) **Perfection and Protection of Charge.** The Chargor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are reasonably requested by the Collateral Agent at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Charge including: (i) executing, recording and filing of financing or other statements, and paying all applicable taxes, fees and other charges payable, (ii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Charge constitutes a valid and first perfected Lien (subject only to Permitted Liens), and (iii) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Collateral Agent;
- (c) **Defend Charged Property.** The Chargor will defend the Charged Property from all adverse claims where the failure to do so would reasonably be expected to have, singly or in the aggregate, a material adverse effect; and
- (d) **Quiet Possession.** Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall be entitled to quiet possession of the Charged Property free from all Liens except for the Permitted Liens; subject to bankruptcy and insolvency laws and other similar laws of general application affecting the enforcement of creditors; to the discretion of the courts in granting equitable remedies, and to general principles of law and equity.

Section 5.2 Supplemental Debentures.

At any time and from time to time, at the request of the Collateral Agent, the Chargor shall execute supplemental debentures hereto for any purpose, including without limitation, to more particularly describe the Charged Property or to correct or amplify the description of the Charged Property, to better assure, convey and confirm unto the Collateral Agent, for the benefit of the Secured Parties, any Charged Property or to update any Schedule herein. Upon the execution of any supplemental debenture under this Section 5.2 or any other modification agreed to by the Collateral Agent, this Agreement shall be modified in accordance therewith, and each supplemental debenture or modification shall form a part of this Agreement for all purposes and the Chargor shall be bound thereby.

Section 5.3 Expropriation.

Should any interest in or any part of the Charged Property be taken by the exercise of the right of eminent domain or taken, purchased or expropriated by any Governmental Authority or taken by a power reserved in any grant, the Collateral Agent may release the Charged Property so taken or purchased and

shall be fully protected in so doing upon being furnished with an opinion of its counsel to the effect that such Charged Property has been taken by exercise of the right of eminent domain or purchased or expropriated by any Governmental Authority or a power reserved in any grant. The proceeds of all Charged Property so taken, purchased or expropriated shall be paid over to the Collateral Agent and be applied as set forth in Section 6.15.

ARTICLE 6 GENERAL

Section 6.1 Loan Agreement Governs.

Notwithstanding anything to the contrary contained herein, this Agreement is issued subject always to the covenants, conditions, limitations and other provisions contained in the Loan Agreement. In the event of any conflict, discrepancy, difference or ambiguity in or between any of the provisions of this Agreement and any of the provisions of the Loan Agreement including, without limitation, in the amount payable thereunder, the principal sum for which this Agreement is expressed to be security or the interest payable thereunder and the interest rate on such principal sum, the provisions of the Loan Agreement shall prevail. For the avoidance of doubt, neither the Collateral Agent nor any subsequent holder of this Agreement may, at any time, claim any greater amount in respect of the principal amount of this Agreement than the aggregate amount of the Secured Obligations (excluding the stated principal sum of this Agreement and interest payable thereon at the stated rate of interest under this Agreement) outstanding at that time. Payment to the Collateral Agent of interest for any period in respect of the Secured Obligations is deemed to be payment in satisfaction of the interest payment for the same period under this Agreement.

Section 6.2 Partial Release.

No postponement or partial release or discharge of the Charge in respect of all or any part of the Charged Property for any reason whatsoever shall in any way operate or be construed so as to release and discharge the Charge in respect of the Charged Property except as therein specifically provided, or so as to release or discharge the Chargor from its liability to the Collateral Agent to fully pay and satisfy the Secured Obligations.

Section 6.3 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing and given in accordance with the Loan Agreement.

Section 6.4 Discharge.

The Charge will be discharged in accordance with Section 3.7 of the Loan Agreement.

Section 6.5 No Merger.

This Agreement shall not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Collateral Agent shall operate by way of merger of, or in any way affect, the Charge, which is in addition to, and not in substitution for, any other security held by the Collateral Agent in respect of the Secured Obligations. The representations, warranties and covenants of the Chargor in this Agreement survive the execution and delivery of this Agreement and any advances under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent, these covenants, representations and warranties continue in full force and effect.

Section 6.6 Further Assurances.

The Chargor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Collateral Agent may require and take all further steps relating to the Charged Property or any other property or assets of the Chargor that the Collateral Agent may reasonably require for: (i) protecting the Charged Property; (ii) perfecting, preserving or protecting the Charge; and (iii) exercising all powers, authorities and discretions hereby conferred upon

the Collateral Agent. After the Charge becomes enforceable, the Chargor will do all acts and things and execute and deliver all documents and instruments as the Collateral Agent may require for facilitating the sale or other disposition of the Charged Property in connection with its realization.

Section 6.7 Supplemental Security.

This Agreement is in addition and without prejudice to and supplemental to all other security now held or which may hereafter be held by the Collateral Agent or any of the Secured Parties.

Section 6.8 Successors and Assigns.

- (1) This Agreement creates a continuing Charge in the Charged Property and shall (i) be binding on the Chargor and its successors and assigns, and (ii) enure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and each of its respective successors, permitted transferees and permitted assigns. No other Person (including any other creditor of the Chargor) shall have any interest herein or any right or benefit with respect hereto.
- (2) Without limiting the generality of this Section 6.8, the Collateral Agent may assign all or otherwise transfer all or any part of, or may grant participation in all or any part of, its interest in this Agreement to any other Person, in each case in accordance with the Loan Agreement, and such other Person shall then become vested with all the rights granted to the Collateral Agent in this Agreement or otherwise.
- (3) The Chargor may not assign, transfer or delegate any of its rights or obligations under this Agreement.
- (4) The Chargor agrees that its obligations hereunder and the Charge shall continue to be effective or be reinstated, as applicable, if at any time payment, or any part thereof, of all or any part of the Secured Obligations is rescinded or must otherwise be restored by the Collateral Agent upon the bankruptcy or reorganization of the Chargor or otherwise.

Section 6.9 Amalgamation.

The Chargor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Charge (i) subject to Section 3.5, extends to: (A) all of the property of the type and description set forth in Section 3.1 that any of the amalgamating corporations then owns, (B) all of the property of the type and description set forth in Section 3.1 that the amalgamated corporation thereafter acquires, (C) all of the property of the type and description set forth in Section 3.1 in which any of the amalgamating corporations then has any interest and (D) all of the property of the type and description set forth in Section 3.1 in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Collateral Agent in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Charge attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term "**Chargor**" includes, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "**Charged Property**" means all of the property and undertaking and interests described in (i) above, and the defined term "**Secured Obligations**" means the obligations described in (ii) above.

Section 6.10 Dollars or "\$".

A reference herein to "\$" or the word "dollar" or "Dollars", without more, shall be a reference to lawful money of Canada.

Section 6.11 Currency Indemnity.

(1) If any sum due from the Chargor under this Agreement (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (a) making or filing a claim or proof against the Chargor;
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Chargor shall as an independent obligation, within five (5) Business Days of demand, indemnify the Collateral Agent against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that Person at the time of its receipt of that Sum.

(2) The Chargor waives any right it may have in any jurisdiction to pay any amount under this Agreement in a currency or currency unit other than that in which it is expressed to be payable.

Section 6.12 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 6.13 Amendment.

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent and the Chargor.

Section 6.14 Waivers, etc.

- (1) No consent or waiver by the Collateral Agent in respect of this Agreement is binding unless made in writing and signed by an authorized officer or director of the Collateral Agent. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which it is given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Collateral Agent in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Collateral Agent however arising. A single or partial exercise of a right on the part of the Collateral Agent does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent.

Section 6.15 Application of Proceeds of Security.

All monies collected by the Collateral Agent upon the enforcement of the Collateral Agent's rights and remedies under the Loan Agreement and the other Credit Documents and the Liens created by them including any sale or other disposition of the Charged Property, together with all other monies received by the Collateral Agent under the Loan Agreement and the other Credit Documents, will be applied as provided in the Loan Agreement.

Section 6.16 Governing Law.

- (1) This Agreement shall be governed by and construed in accordance with the laws of Alberta and the laws of Canada applicable therein.

- (2) The Chargor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Agreement. The Chargor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Chargor in the courts of any other jurisdiction.

Section 6.17 Time of the Essence.

Time shall be of the essence of this Agreement.

Section 6.18 Charging Clause.

For better securing to the Collateral Agent the repayment in the manner set out above of the principal sum set forth herein together with all other Secured Obligations, the Chargor hereby mortgages to the Collateral Agent all of its estate and interest in the Charged Property.

Section 6.19 Waiver of Financing Statement, Etc.

The Chargor hereby waives the right to receive from the Collateral Agent a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

Section 6.20 Undertaking to Grant Fixed Charge.

If the Collateral Agent determines, in its sole and absolute discretion, that there has been a Material Adverse Effect, or a Default or Event of Default has occurred and is continuing, and the Collateral Agent considers it necessary for its adequate protection, the Chargor, at the request of the Collateral Agent, will forthwith grant or cause to be granted to the Collateral Agent a fixed Lien (subject only to Permitted Liens which under Applicable Law rank in priority thereto) in such of the Chargor's property as the Collateral Agent, in its sole and absolute discretion, determines as security for all then present and future Secured Obligations. The Chargor will:

- (a) do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Collateral Agent to give effect to any provision of the amended, new or replacement security documents, as applicable;
- (b) provide the Collateral Agent with such information as is reasonably required by the Collateral Agent to identify the property to be charged;
- (c) do all such things as are reasonably required to grant the Liens to be granted pursuant to the amended, new or replacement security documents;
- (d) provide the Collateral Agent with all corporate, partnership or other organizational resolutions and other action required for the Chargor to grant the amended, new or replacement security documents;
- (e) provide the Collateral Agent with an opinion of the Chargor's counsel confirming the due authorization, execution and delivery by the Chargor of all such agreements and instruments comprising the amended, new or replacement security documents in form and content satisfactory to the Collateral Agent, acting reasonably; and
- (f) assist the Collateral Agent in the registration or recording of such security documents in such public registry offices in Canada and any province thereof as the Collateral Agent,

acting reasonably, deems necessary to protect the Liens created by such security documents.

Section 6.21 Electronic Execution and Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[Remainder of page left intentionally blank.]

DATED as of the date first written above.

**GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD.**

Per:


A handwritten signature in dark ink, appearing to read 'E. Choquette', is written over a horizontal line.

Name: Elliott Choquette

Title: President

Acknowledged and Agreed to by:

GLAS AMERICAS LLC

Per: 
Name: Yana Kislenko
Title: Vice President

SCHEDULE "A"

LANDS

Nil.

**FIRST AMENDING AGREEMENT
(FIXED AND FLOATING CHARGE DEBENTURE)**

The first amending agreement (this “**First Amending Agreement**”) dated August 31, 2022 among Griffon Partners Capital Management Ltd., as Chargor (as defined below), and GLAS Americas LLC, as Collateral Agent (as defined below).

RECITALS:

- (a) Griffon Partners Capital Management Ltd. (the “**Chargor**”) and GLAS Americas LLC, as collateral agent for the benefit of the Secured Parties (the “**Collateral Agent**”), are parties to a fixed and floating charge debenture dated July 21, 2022 (the “**Original Agreement**”);
- (b) The parties to the Loan Agreement have amended the Loan Agreement pursuant to a first amending agreement among all of the parties to the Loan Agreement effective as of the date hereof (the “**Loan Amendment**”) in order to provide that the Original Agreement, as amended hereby, shall constitute a Shared Security Document (as defined in the Loan Agreement) and shall secure the Secured Obligations (as defined in the Loan Agreement) under the Loan Agreement; and
- (c) To give effect to the Original Agreement being a Shared Security Document, the Chargor and the Collateral Agent have agreed to make the amendments set forth in this First Amending Agreement.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

Section 1 Defined Terms

Capitalized terms used in this First Amending Agreement and not otherwise defined have the meanings specified in the Original Agreement.

Section 2 Headings

Section headings in this First Amending Agreement are included for convenience of reference only and shall not constitute a part of this First Amending Agreement for any other purpose.

Section 3 Amendments to the Original Agreement

Upon this First Amending Agreement becoming effective, the Original Agreement is hereby amended as follows:

- (a) the definition of Chargor Obligations in Section 1.1 is hereby deleted and replaced with the following:

““**Chargor Obligations**” means all Secured Obligations (as defined in the Loan Agreement) of the Chargor.”; and
- (b) the definition of Secured Parties in Section 1.1 is hereby deleted and replaced with the following:

““**Secured Parties**” has the meaning set forth in the Loan Agreement.”.

Section 4 Acknowledgement and Reference to and Effect on the Original Agreement

- (1) All references to the Loan Agreement in the Original Agreement, as amended by this First Amending Agreement, shall for certainty be to the Loan Agreement as amended by the Loan Amendment.
- (2) Upon this First Amending Agreement becoming effective, each reference in the Original Agreement to "this Agreement" and each reference to the Original Agreement in the other Credit Documents and any and all other agreements, documents and instruments delivered by any of the Lenders, the Administrative Agent, the Collateral Agent, the Borrower and the other Credit Parties or any other Person shall mean and be a reference to the Original Agreement as amended by this First Amending Agreement. Except as specifically amended by this First Amending Agreement, the Original Agreement shall remain in full force and effect.
- (3) Except to the extent expressly set forth herein, (a) the execution, delivery and effectiveness of this First Amending Agreement and any consents and waivers set forth herein shall not directly or indirectly (i) constitute a consent or waiver of any past, present or future violations of any provisions of the Original Agreement or any other Credit Document; (ii) amend, modify or operate as a waiver of any provision of the Original Agreement or any other Credit Document or any right, power or remedy of the Administrative Agent, the Collateral Agent or any Lender thereunder; or (iii) constitute a course of dealing or other basis for altering any obligations or any other contract or instrument; and (b) the Secured Parties reserve all of their rights, powers and remedies under the Original Agreement, the other Credit Documents and Applicable Law.

Section 5 Confirmation

The Chargor agrees with and confirms to the Collateral Agent and the Secured Parties that as of the date hereof, the Original Agreement is and shall remain in full force and effect in all respects and the Original Agreement as amended hereby shall continue to exist and apply to all of the Secured Obligations (as defined in the Original Agreement as amended hereby) and that the Original Agreement as amended hereby shall hereafter secure all of the Charged Property as security for the Secured Obligations (as defined in the Original Agreement as amended hereby); and for greater certainty, the Chargor hereby Charges all of the Charged Property as security for the Secured Obligations (as defined in the Original Agreement as amended hereby). This confirmation of guarantee and security is in addition to and shall not limit, derogate from or otherwise affect any provisions of the Original Agreement.

Section 6 Effectiveness

This First Amending Agreement shall become effective upon duly executed signature pages for this First Amending Agreement signed by the Chargor shall have been delivered to the Collateral Agent, and the Collateral Agent shall have duly executed this First Amending Agreement.

Section 7 Governing Law

This First Amending Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Section 8 Electronic Execution

This First Amending Agreement may be signed by way of associating or otherwise appending an electronic signature or other facsimile signature of the applicable signatory and the words "execution",

"signed", "signature", and words of like import in this First Amending Agreement shall be deemed to include electronic signatures or other facsimile signature, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for by any law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

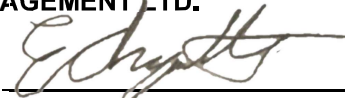
Section 9 Counterparts

This First Amending Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party may execute this First Amending Agreement by signing any counterpart.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF the parties have executed this First Amending Agreement.

**GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD.**

By: 
Name: Elliott Choquette
Title: President

GLAS AMERICAS LLC


By: _____
Name:
Title:

IN WITNESS WHEREOF the parties have executed this First Amending Agreement.

**GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD.**

By: _____
Name:
Title:

GLAS AMERICAS LLC

By:  _____
Name: Yana Kislenko
Title: Vice President

GRIFFON PARTNERS HOLDING CORP.

as Chargor

and

GLAS AMERICAS LLC

as Collateral Agent

FIXED AND FLOATING CHARGE DEBENTURE

July 21, 2022

FIXED AND FLOATING CHARGE DEBENTURE

Fixed and floating charge debenture dated as of July 21, 2022 made by Griffon Partners Holding Corp. (the “**Chargor**”) to and in favour of GLAS Americas LLC (the “**Collateral Agent**”) for the benefit of the Secured Parties.

RECITALS:

- (a) The Collateral Agent and the Chargor are each party to a loan agreement dated as of the date hereof (the “**Loan Agreement**”) among Griffon Partners Operation Corp., as borrower (the “**Borrower**”), the Chargor and Griffon Partners Capital Management Ltd., as guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as lenders (collectively, the “**Lenders**”), the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent;
- (b) The Lenders have agreed to make a credit facility available to the Borrower on the terms and conditions contained in the Loan Agreement; and
- (c) It is a condition precedent to the extension of credit to the Borrower under the Loan Agreement that the Chargor execute and deliver this Agreement in favour of the Collateral Agent, for the benefit of the Secured Parties, as security for the payment and performance of the Secured Obligations.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which consideration is hereby acknowledged, the Chargor agrees as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

“**Administrative Agent**” means GLAS USA LLC and its successors and assigns.

“**Agreement**” means this fixed and floating charge debenture.

“**Charge**” means the security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement.

“**Charged Property**” means the subject matter of the Charge.

“**Chargor Obligations**” means all Secured Obligations (as defined in the Loan Agreement) of the Chargor.

“**Expenses**” means all expenses, costs and charges incurred by or on behalf of any Secured Party in connection with this Agreement, the Charge or the Charged Property, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Charged Property, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the any Secured Party’s interest in any Charged Property, whether or not directly relating to the enforcement of this Agreement or any other Credit Documents.

"Fixtures" means all fixtures (including trade fixtures), facilities and equipment, howsoever affixed or attached to real property or buildings or other structures on real property, now owned or hereafter acquired by the Chargor.

"Loan Agreement" has the meaning set forth in the recitals.

"Permitted Liens" has the meaning set forth in the Loan Agreement.

"PPSA" means the *Personal Property Security Act* (Alberta).

"Receiver" has the meaning specified in Section 4.2(a).

"Secured Obligations" means, collectively, the Chargor Obligations and the Expenses.

"Secured Parties" has the meaning set forth in the Loan Agreement.

Section 1.2 Interpretation.

- (1) Capitalized terms used in this Agreement but not defined have the meanings given to them in the Loan Agreement.
- (2) Any reference in this Agreement, the Loan Agreement or any other Credit Document to Liens permitted hereunder or thereunder and any right of the Chargor to create or suffer to exist Liens permitted hereunder or thereunder are not intended to and do not and will not subordinate the Charge to any such Lien or give priority to any Person over the Collateral Agent.
- (3) In this Agreement the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. The phrase **"the aggregate of"**, **"the total of"**, **"the sum of"**, or a phrase of similar meaning means **"the aggregate (or total or sum), without duplication, of"**. The expression **"Article"**, **"Section"**, **"Schedule"** or other subdivision followed by a number mean and refer to the specified Article, Section, Schedule or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.
- (7) Any reference to this Agreement, the Loan Agreement, any other Credit Document or any other agreement refers to this Agreement, the Loan Agreement, any other Credit Document or other agreement as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented, novated and includes all schedules attached to it. Any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

Section 1.3 Interest Act (Canada).

For purposes of the *Interest Act* (Canada), (i) whenever any interest or fee under this Agreement is calculated using a rate based on a year of 365 days, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 365 days, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 365, (ii) the principle of deemed reinvestment

of interest does not apply to any interest calculation under this Agreement, and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

Section 1.4 Nominal Rates.

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement. All interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, after as well as before maturity, default and judgment. The rates of interest specified in this Agreement are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

**ARTICLE 2
ACKNOWLEDGEMENT OF INDEBTEDNESS**

Section 2.1 Promise to Pay.

The Chargor, for value received, hereby acknowledges itself indebted to the Collateral Agent and promises to pay ON DEMAND to or to the order of the Collateral Agent, the principal sum of TWO HUNDRED MILLION DOLLARS (\$200,000,000) on presentation and surrender of this Agreement at the offices of the Collateral Agent located at 3 Second Street, Suite 206 Jersey City, NJ 07311, or at such other place as the Collateral Agent may designate by notice in writing to the Chargor, and to pay interest thereon from the date hereof at the rate per annum of twenty percent (20%) in like money at the same place, monthly, on the last day of each month; and, if the Chargor should at any time make default in the payment of any principal or interest, to pay interest on the amount in default both before and after demand, default and judgment, with interest on overdue interest at the same rate in lawful money of Canada at the same place on the same dates.

The Collateral Agent is the Person entitled to receive the principal of, and interest on, this Agreement and all other amounts payable hereunder.

**ARTICLE 3
SECURITY**

Section 3.1 Grant of Charge.

As security for the due payment and performance of all Secured Obligations, and subject to the provisions of Section 3.5 hereof, the Chargor hereby:

- (a) grants, assigns as security, conveys, mortgages, pledges and charges, as and by way of a fixed and specific mortgage, charge and pledge, to and in favour of the Collateral Agent, for the benefit of the Secured Parties, all of its present and future right, title, interest and estate in and to the lands described in Schedule "A" hereto, together with all of the Chargor's present and future interest in all rights, leases, licenses, easements, rights-of-way, profits-à-prendre, interests in real property, structures, underground facilities, wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter with respect to or constructed or placed on such lands or used in connection with such lands and all accretions, additions and accessions thereto, and any and all proceeds of any of the foregoing;
- (b) grants, assigns, conveys, transfers, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Collateral Agent, for the benefit of the Secured Parties, and grants a continuing security interest to the Collateral Agent, for

the benefit of the Secured Parties, in, all of the Chargor's present and after-acquired personal property including, without limitation, all present and after-acquired right, title and interest in and to all goods, chattel paper, securities, documents of title, instruments, intangibles, investment property and money (as such terms are defined in the PPSA), wherever located; and

- (c) grants, assigns as security, conveys, mortgages and charges, as and by way of a floating charge, to and in favour of the Collateral Agent, for the benefit of the Secured Parties, all of the right, title, interest and estate in and to real property and personal property of the Chargor not subject to the fixed charge in Section 3.1(a) or the security interest in Section 3.1(b), both present and future, of every nature and kind and wherever situate including, without limitation, the Chargor's interest in all rights, leases (including, without limitation, petroleum and/or natural gas leases), licenses, easements, rights-of-way, profits-à-prendre, interests in real property, structures, underground facilities, wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter with respect to or constructed or placed on such real property or used in connection with such real property and all accretions, additions and accessions thereto, which the Chargor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter, and any and all proceeds of any of the foregoing.

Section 3.2 Secured Obligations.

The Charge granted by this Agreement secures the payment and performance of the Secured Obligations.

Section 3.3 Crystallization of Floating Charge.

Without limiting its rights hereunder to crystallize the Charge set forth in Section 3.1(c) above in any other manner, the Collateral Agent, upon the occurrence of and during the continuance of an Event of Default, may to the extent permitted by applicable law crystallize and fix the Charge set forth in Section 3.1(c) above in respect of all or a portion of the Charged Property by notice in writing to the Chargor without any requirement for further intervention by the Collateral Agent (whether by the taking of possession, the appointment of a Receiver or otherwise), but without in any way limiting the powers, rights and remedies of the Collateral Agent hereunder in respect of the Charged Property.

Section 3.4 Attachment.

The Chargor acknowledges that: (i) value has been given; (ii) it has rights in the Charged Property or the power to transfer rights in the Charged Property to the Collateral Agent, for the benefit of the Secured Parties (other than after-acquired Charged Property); (iii) it has not agreed to postpone the time of attachment of the Charge; and (iv) it has received a copy of this Agreement. The Charge is intended to, and shall, attach to the existing Charged Property when the Chargor signs this Agreement, and to any other after-acquired Charged Property subsequently acquired by the Chargor immediately upon the Chargor acquiring any rights in such after-acquired Charged Property.

Section 3.5 Scope of Charge.

- (1) The Charge does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement therefor now held or hereafter acquired by the Chargor, but the Chargor shall thereafter stand possessed of such last day in trust for the Collateral Agent to assign the same to any Person acquiring such term in the course of enforcement of the Charge.
- (2) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Chargor would result in the termination of such agreement, licence, permit or quota (in this Section 3.5 each, a "**Restricted Asset**"), the Charge with respect to each Restricted Asset will

constitute a trust created in favour of the Collateral Agent, for the benefit of the Secured Parties, pursuant to which the Chargor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Collateral Agent on the following basis:

- (a) until the Charge is enforceable and subject to the Loan Agreement, the Chargor is entitled to receive all such proceeds; and
- (b) whenever the Charge is enforceable, (i) all rights of the Chargor to receive such proceeds cease and all such proceeds will be immediately paid over to the Collateral Agent and (ii) the Chargor will take all actions requested by the Collateral Agent to collect and enforce payment and other rights arising under the Restricted Asset.

The Chargor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Collateral Agent in accordance with this Agreement. The Chargor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Collateral Agent, for the benefit of the Secured Parties, in accordance with the terms of this Agreement.

Section 3.6 Chargor Remains Liable.

Notwithstanding the provisions of this Agreement: (i) the Chargor shall remain liable to perform all of its duties and obligations in regard to the Charged Property (including, without limitation, all of its duties and obligations arising under any leases, licenses, permits, reservations, contracts, agreements, instruments, contractual rights and governmental orders, authorizations, licenses and permits now or hereafter pertaining thereto) to the same extent as if this Agreement had not been executed; (ii) the exercise by or on behalf of the Collateral Agent of any of their rights and remedies under or in regard to this Agreement shall not release the Chargor from such duties and obligations in respect of the Charged Property subject to applicable law; and (iii) the Collateral Agent shall have no liability for such duties and obligations by reason of the execution and delivery of this Agreement.

Section 3.7 Protective Disbursements.

If the Chargor fails to perform any of its covenants in this Agreement or otherwise, then the Collateral Agent may, in its absolute discretion, perform any covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, the Collateral Agent may make the payment but is under no obligation to do so. All sums paid or expended by the Collateral Agent are immediately payable by the Chargor, bear interest at the rate set forth in this Agreement and are secured by this Agreement, having the benefit of the Charge in priority to the indebtedness evidenced by this Agreement. No such performance or payment will relieve the Chargor from any default under this Agreement or the consequences of such default.

Section 3.8 Continuing Security.

This Agreement shall be a continuing obligation, shall cover and secure any ultimate balance of the Secured Obligations owing to the Collateral Agent, for the benefit of the Secured Parties, and shall be operative and binding notwithstanding that at any time or times the Secured Obligations may be zero, or that any payments from time to time may be made to the Collateral Agent, for the benefit of the Secured Parties, or any settlements of account effected, or any other thing whatsoever done, suffered or permitted, or any other action short of complete and irrevocable payment of all the Secured Obligations and any other amounts payable hereunder.

ARTICLE 4 ENFORCEMENT

Section 4.1 Enforcement.

The Charge becomes and is enforceable against the Chargor upon the occurrence and during the continuance of an Event of Default.

Section 4.2 Remedies.

Whenever the Charge is enforceable, the Collateral Agent, for and on behalf of the Secured Parties, may, at any time, in its sole discretion, realize upon the Charged Property and the Collateral Agent shall have the following rights and remedies:

- (a) the Collateral Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the Charged Property and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Charged Property or any part thereof; and the term “Collateral Agent” when used in this Section 4.2 shall include any Receiver so appointed and the agents, officers and employees of such Receiver;
- (b) the Collateral Agent may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any part of the Charged Property;
- (c) the Collateral Agent may enter into and take possession of the Charged Property and require the Chargor to make the Charged Property available to the Collateral Agent;
- (d) the Collateral Agent may carry on or concur in the carrying on of all or any part of the business of the Chargor relating to the Charged Property;
- (e) the Collateral Agent may enforce any rights of the Chargor in respect of the Charged Property by any manner permitted by applicable law;
- (f) the Collateral Agent may sell, lease or otherwise dispose of all or any part of the Charged Property, either as a whole or in separate parcels, by public auction, public tender, private tender or private sale at such time or times as the Collateral Agent may determine, with or without notice to the Chargor, either for cash or upon credit or any other arrangement providing for deferred payment, upon such terms and conditions as the Collateral Agent may determine and without notice to the Chargor unless required by applicable law, with or without advertisement, and with or without a reserve bid as the Collateral Agent, in its sole discretion, may see fit, and the Collateral Agent may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time, and may execute and deliver to the purchaser or purchasers of the Charged Property or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or director of the Collateral Agent being hereby constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deeds or conveyances, upon the Charge becoming enforceable, and any such sale made as aforesaid shall be a perpetual bar both in applicable law and in equity against the Chargor and all other Persons claiming all or any part of the Charged Property by, from, through or under the Chargor;
- (g) the Collateral Agent may institute proceedings in any court of competent jurisdiction for sale (including, without limitation, sale by way of a deferred payment arrangement) or foreclosure or lease of all or any part of the Charged Property;

- (h) the Collateral Agent may file proofs of claim and other documents to establish its claims in any proceeding relative to the Chargor;
- (i) the Collateral Agent may accept the Charged Property in satisfaction or partial satisfaction of the Charge upon notice to the Chargor of its intention to do so in the manner required by applicable law;
- (j) the collection of any proceeds arising in respect of the Charged Property; and
- (k) the Collateral Agent may exercise any other right or remedy permitted by applicable law, statute or equity, including, without limitation, all rights and remedies of a Collateral Agent under the PPSA and any other personal property security legislation in any other jurisdictions where the Charged Property may be located.

Section 4.3 Additional Rights.

In addition to the remedies set forth in Section 4.2 and elsewhere in this Agreement, whenever the Charge is enforceable, the Collateral Agent may:

- (a) require the Chargor, at the Chargor's expense, to assemble the Charged Property at a reasonable place or places designated by notice in writing and the Chargor agrees to so assemble the Charged Property promptly upon receipt of such notice;
- (b) require the Chargor, by notice in writing, to disclose to the Collateral Agent the location or locations of the Charged Property and the Chargor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Charged Property and prepare for the disposition of the Charged Property, whether on the premises of the Chargor or otherwise;
- (d) redeem any prior Lien against any Charged Property, procure the transfer of such Lien to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Chargor);
- (e) pay any liability secured by any Lien against any Charged Property or discharge any Lien that may exist or be threatened against the Charged Property (the Chargor will promptly upon receipt of written notice reimburse the Collateral Agent for all such payments);
- (f) to facilitate the realization of the Charged Property, enter upon, occupy and use all or any of the premises, buildings and plant comprising the Charged Property and use all or any of the equipment and other personal property of the Chargor for such time as the Collateral Agent requires to facilitate such realization, free of charge (as between the Chargor and the Collateral Agent), and the Collateral Agent shall not be liable to the Chargor for any act, omission or neglect in so doing or in respect of any rent, charges, depreciation or damages incurred in connection with such actions, unless such act, omission or neglect is caused by gross negligence or wilful default of the Collateral Agent;
- (g) borrow for the purpose of carrying on the business of the Chargor or for the maintenance, preservation or protection of the Charged Property and grant a security interest in the Charged Property, whether or not in priority to the Charge, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Charged Property, and give good and valid receipts and discharges in respect of the

Charged Property and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Chargor; and

- (i) at any public sale, and to the extent permitted by applicable law on any private sale, bid for and purchase any or all of the Charged Property offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Charged Property without any further accountability to the Chargor or any other Person with respect to such holding, retention or disposition, except as required by applicable law. In any such sale to the Collateral Agent, the Collateral Agent may, for the purpose of making payment for all or any part of the Charged Property so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 4.4 Exercise of Remedies.

The remedies under Section 4.2 and Section 4.3 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Collateral Agent however arising or created. The Collateral Agent is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Collateral Agent in respect of the Secured Obligations including the right to claim for any deficiency.

Section 4.5 Appointment of Attorney.

The Chargor hereby irrevocably constitutes and appoints the Collateral Agent (and any director or officer of the Collateral Agent) the true and lawful attorney of the Chargor. As the attorney of the Chargor, the Collateral Agent has the power to exercise for and in the name of the Chargor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Chargor's right (including the right of disposal), title and interest in and to the Charged Property, including the execution, endorsement, delivery and transfer of the Charged Property to the Collateral Agent, its nominees or transferees, and the Collateral Agent and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Charged Property to the same extent as the Chargor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Chargor. This power of attorney extends to and is binding upon the Chargor's successors and permitted assigns. The Chargor authorizes the Collateral Agent to delegate in writing to another Person any power and authority of the Collateral Agent under this power of attorney as may be necessary or desirable in the opinion of the Collateral Agent, and to revoke or suspend such delegation.

Section 4.6 Dealing with the Charged Property.

- (1) Neither the Collateral Agent, any Receiver nor any agent of any of them (including any civil enforcement agent) shall be: (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Charged Property; (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Charged Property or for the purpose of preserving any rights of any Persons; (iii) responsible for any loss occasioned by any sale or other dealing with the Charged Property or by the retention of or failure to sell or otherwise deal with the Charged Property; or (iv) bound to protect the Charged Property from depreciating in value or becoming worthless.
- (2) The Collateral Agent may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Chargor and with other Persons, sureties or securities as they may see fit without prejudice to the Secured Obligations, the liability of the Chargor under the Credit Documents or the rights of the Collateral Agent in respect of the Charged Property.

- (3) The Collateral Agent shall not be obliged to exhaust its recourse against the Chargor or any other Person or against any other security they may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Charged Property in such manner as the Collateral Agent may consider desirable.

Section 4.7 Status of the Receiver.

- (1) Subject to all applicable laws, any Receiver appointed by the Collateral Agent is vested with the rights and remedies which could have been exercised by the Collateral Agent in respect of the Chargor or the Charged Property and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments including, without limitation, any or all of the powers of the Collateral Agent or of the officer or director of the Collateral Agent referred to above. The identity of the Receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Collateral Agent.
- (2) The Receiver shall, for all purposes relating to the Receiver's acts or defaults and remuneration, be deemed to be the agent of the Chargor and not of the Collateral Agent, and the Chargor shall be solely responsible for the Receiver's acts or defaults and remuneration. The Receiver may sell, lease, or otherwise dispose of Charged Property as agent for the Chargor or as agent for the Collateral Agent as the Collateral Agent may determine in its discretion. The Chargor agrees to ratify and confirm all actions of the Receiver acting as agent for the Chargor, and to release and indemnify the Receiver in respect of all such actions.
- (3) All amounts from time to time received by the Collateral Agent or the Receiver may (but need not) be applied in the following order: (i) in discharge of all operating expenses and other outgoings affecting the Charged Property; (ii) in keeping in good standing all Liens on the Charged Property having priority over the Charge; (iii) in payment of the remuneration and disbursements of the Receiver (if any); (iv) in payment to the Collateral Agent of the amounts payable hereunder; (v) to such reserves against potential claims that the Collateral Agent or the Receiver in good faith believes should be maintained, until such potential claims are settled, and the balance, if any, shall be paid as determined by the Collateral Agent in its sole discretion.
- (4) The Collateral Agent, in appointing or refraining from appointing any Receiver, does not incur liability to the Receiver, the Chargor or otherwise and is not responsible for any misconduct or negligence of such Receiver.

Section 4.8 Powers of Privately Appointed Receiver.

Any Receiver appointed by instrument in writing shall, to the extent permitted by applicable law, have power to:

- (a) take possession of, collect and get in all or any part of the Charged Property and, for that purpose, to take proceedings in the name of the Chargor or otherwise, and to make any arrangement or compromise;
- (b) from time to time and without any previous notice or demand and free of charge, enter upon or into and occupy and use all or any part of the premises, buildings, plant and undertaking of or occupied or used by the Chargor without being or being deemed to be a mortgagee in possession;
- (c) carry on or concur in carrying on all or any part of the business of the Chargor;
- (d) borrow or raise money on all or any part of the Charged Property in priority to this Agreement or otherwise for such purposes as may be approved by the Collateral Agent; and

- (e) sell or lease or concur in selling or leasing all or any part of the Charged Property without notice and in such manner as may seem advisable to the Receiver (including, without limitation, sale by way of deferred payment arrangement), and to effect such sale by conveying in the name and on behalf of the Chargor or otherwise.

Section 4.9 Standards of Sale.

Without prejudice to the ability of the Collateral Agent to dispose of the Charged Property in any manner which is commercially reasonable and without limitation to the other provisions of this Agreement, the Chargor acknowledges that, in connection with any enforcement of the Charge provided for herein:

- (a) the Charged Property may be disposed of in whole or in part;
- (b) the Charged Property may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Charged Property may be the Collateral Agent or a customer of any such Person;
- (d) any sale conducted by the Collateral Agent will be at such time and place, on such notice, in accordance with such procedures and on such terms and conditions as the Collateral Agent, in its sole discretion, may deem advantageous;
- (e) the Charged Property may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Charged Property) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Charged Property may be on such terms and conditions as to credit or otherwise as the Collateral Agent, in its sole discretion, may deem advantageous; and
- (g) the Collateral Agent may establish an upset or reserve bid or price in respect of the Charged Property.

Section 4.10 Dealings by Third Parties.

- (a) No Person dealing with the Collateral Agent or an agent or a Receiver is required to determine: (i) whether the Charge has become enforceable; (ii) whether the powers which such Person is purporting to exercise have become exercisable; (iii) whether any money remains due to the Collateral Agent by the Chargor; (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) the propriety or regularity of any sale or any other dealing by the Collateral Agent with the Charged Property; or (vi) how any money paid to the Collateral Agent has been applied.
- (b) Any *bona fide* purchaser of all or any part of the Charged Property from the Collateral Agent or any Receiver or agent will hold the Charged Property absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Chargor, which it specifically waives (to the fullest extent permitted by applicable law) as against any such purchaser and all rights of redemption, stay or appraisal which the Chargor has or may have under any rule of law now existing or hereafter adopted.

Section 4.11 No Right of Set-Off.

The Secured Obligations secured by this Agreement shall be paid when due by the Chargor without regard to any equities existing between the Chargor and any other party including, without limitation, the Collateral Agent or any Secured Party and without regard to any right of set-off or cross-claim or of any other claim or demand of the Chargor against the Collateral Agent or any Secured Party.

ARTICLE 5 COVENANTS

Section 5.1 Covenants of the Chargor.

The Chargor covenants and agrees, acknowledging and confirming that the Collateral Agent is relying on such covenants and agreements, that:

- (a) **Negative Pledge.** The Chargor will not create or suffer to exist any Lien over the Charged Property, except for the Permitted Liens and as otherwise permitted by the Loan Agreement;
- (b) **Perfection and Protection of Charge.** The Chargor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are reasonably requested by the Collateral Agent at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Charge including: (i) executing, recording and filing of financing or other statements, and paying all applicable taxes, fees and other charges payable, (ii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Charge constitutes a valid and first perfected Lien (subject only to Permitted Liens), and (iii) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Collateral Agent;
- (c) **Defend Charged Property.** The Chargor will defend the Charged Property from all adverse claims where the failure to do so would reasonably be expected to have, singly or in the aggregate, a material adverse effect; and
- (d) **Quiet Possession.** Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall be entitled to quiet possession of the Charged Property free from all Liens except for the Permitted Liens; subject to bankruptcy and insolvency laws and other similar laws of general application affecting the enforcement of creditors; to the discretion of the courts in granting equitable remedies, and to general principles of law and equity.

Section 5.2 Supplemental Debentures.

At any time and from time to time, at the request of the Collateral Agent, the Chargor shall execute supplemental debentures hereto for any purpose, including without limitation, to more particularly describe the Charged Property or to correct or amplify the description of the Charged Property, to better assure, convey and confirm unto the Collateral Agent, for the benefit of the Secured Parties, any Charged Property or to update any Schedule herein. Upon the execution of any supplemental debenture under this Section 5.2 or any other modification agreed to by the Collateral Agent, this Agreement shall be modified in accordance therewith, and each supplemental debenture or modification shall form a part of this Agreement for all purposes and the Chargor shall be bound thereby.

Section 5.3 Expropriation.

Should any interest in or any part of the Charged Property be taken by the exercise of the right of eminent domain or taken, purchased or expropriated by any Governmental Authority or taken by a power reserved in any grant, the Collateral Agent may release the Charged Property so taken or purchased and

shall be fully protected in so doing upon being furnished with an opinion of its counsel to the effect that such Charged Property has been taken by exercise of the right of eminent domain or purchased or expropriated by any Governmental Authority or a power reserved in any grant. The proceeds of all Charged Property so taken, purchased or expropriated shall be paid over to the Collateral Agent and be applied as set forth in Section 6.15.

ARTICLE 6 GENERAL

Section 6.1 Loan Agreement Governs.

Notwithstanding anything to the contrary contained herein, this Agreement is issued subject always to the covenants, conditions, limitations and other provisions contained in the Loan Agreement. In the event of any conflict, discrepancy, difference or ambiguity in or between any of the provisions of this Agreement and any of the provisions of the Loan Agreement including, without limitation, in the amount payable thereunder, the principal sum for which this Agreement is expressed to be security or the interest payable thereunder and the interest rate on such principal sum, the provisions of the Loan Agreement shall prevail. For the avoidance of doubt, neither the Collateral Agent nor any subsequent holder of this Agreement may, at any time, claim any greater amount in respect of the principal amount of this Agreement than the aggregate amount of the Secured Obligations (excluding the stated principal sum of this Agreement and interest payable thereon at the stated rate of interest under this Agreement) outstanding at that time. Payment to the Collateral Agent of interest for any period in respect of the Secured Obligations is deemed to be payment in satisfaction of the interest payment for the same period under this Agreement.

Section 6.2 Partial Release.

No postponement or partial release or discharge of the Charge in respect of all or any part of the Charged Property for any reason whatsoever shall in any way operate or be construed so as to release and discharge the Charge in respect of the Charged Property except as therein specifically provided, or so as to release or discharge the Chargor from its liability to the Collateral Agent to fully pay and satisfy the Secured Obligations.

Section 6.3 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing and given in accordance with the Loan Agreement.

Section 6.4 Discharge.

The Charge will be discharged in accordance with Section 3.7 of the Loan Agreement.

Section 6.5 No Merger.

This Agreement shall not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Collateral Agent shall operate by way of merger of, or in any way affect, the Charge, which is in addition to, and not in substitution for, any other security held by the Collateral Agent in respect of the Secured Obligations. The representations, warranties and covenants of the Chargor in this Agreement survive the execution and delivery of this Agreement and any advances under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent, these covenants, representations and warranties continue in full force and effect.

Section 6.6 Further Assurances.

The Chargor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Collateral Agent may require and take all further steps relating to the Charged Property or any other property or assets of the Chargor that the Collateral Agent may reasonably require for: (i) protecting the Charged Property; (ii) perfecting, preserving or protecting the Charge; and (iii) exercising all powers, authorities and discretions hereby conferred upon

the Collateral Agent. After the Charge becomes enforceable, the Chargor will do all acts and things and execute and deliver all documents and instruments as the Collateral Agent may require for facilitating the sale or other disposition of the Charged Property in connection with its realization.

Section 6.7 Supplemental Security.

This Agreement is in addition and without prejudice to and supplemental to all other security now held or which may hereafter be held by the Collateral Agent or any of the Secured Parties.

Section 6.8 Successors and Assigns.

- (1) This Agreement creates a continuing Charge in the Charged Property and shall (i) be binding on the Chargor and its successors and assigns, and (ii) enure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and each of its respective successors, permitted transferees and permitted assigns. No other Person (including any other creditor of the Chargor) shall have any interest herein or any right or benefit with respect hereto.
- (2) Without limiting the generality of this Section 6.8, the Collateral Agent may assign all or otherwise transfer all or any part of, or may grant participation in all or any part of, its interest in this Agreement to any other Person, in each case in accordance with the Loan Agreement, and such other Person shall then become vested with all the rights granted to the Collateral Agent in this Agreement or otherwise.
- (3) The Chargor may not assign, transfer or delegate any of its rights or obligations under this Agreement.
- (4) The Chargor agrees that its obligations hereunder and the Charge shall continue to be effective or be reinstated, as applicable, if at any time payment, or any part thereof, of all or any part of the Secured Obligations is rescinded or must otherwise be restored by the Collateral Agent upon the bankruptcy or reorganization of the Chargor or otherwise.

Section 6.9 Amalgamation.

The Chargor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Charge (i) subject to Section 3.5, extends to: (A) all of the property of the type and description set forth in Section 3.1 that any of the amalgamating corporations then owns, (B) all of the property of the type and description set forth in Section 3.1 that the amalgamated corporation thereafter acquires, (C) all of the property of the type and description set forth in Section 3.1 in which any of the amalgamating corporations then has any interest and (D) all of the property of the type and description set forth in Section 3.1 in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Collateral Agent in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Charge attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term "**Chargor**" includes, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "**Charged Property**" means all of the property and undertaking and interests described in (i) above, and the defined term "**Secured Obligations**" means the obligations described in (ii) above.

Section 6.10 Dollars or "\$".

A reference herein to "\$" or the word "dollar" or "Dollars", without more, shall be a reference to lawful money of Canada.

Section 6.11 Currency Indemnity.

(1) If any sum due from the Chargor under this Agreement (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (a) making or filing a claim or proof against the Chargor;
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Chargor shall as an independent obligation, within five (5) Business Days of demand, indemnify the Collateral Agent against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that Person at the time of its receipt of that Sum.

(2) The Chargor waives any right it may have in any jurisdiction to pay any amount under this Agreement in a currency or currency unit other than that in which it is expressed to be payable.

Section 6.12 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 6.13 Amendment.

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent and the Chargor.

Section 6.14 Waivers, etc.

- (1) No consent or waiver by the Collateral Agent in respect of this Agreement is binding unless made in writing and signed by an authorized officer or director of the Collateral Agent. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which it is given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Collateral Agent in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Collateral Agent however arising. A single or partial exercise of a right on the part of the Collateral Agent does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent.

Section 6.15 Application of Proceeds of Security.

All monies collected by the Collateral Agent upon the enforcement of the Collateral Agent's rights and remedies under the Loan Agreement and the other Credit Documents and the Liens created by them including any sale or other disposition of the Charged Property, together with all other monies received by the Collateral Agent under the Loan Agreement and the other Credit Documents, will be applied as provided in the Loan Agreement.

Section 6.16 Governing Law.

- (1) This Agreement shall be governed by and construed in accordance with the laws of Alberta and the laws of Canada applicable therein.

- (2) The Chargor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Agreement. The Chargor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Chargor in the courts of any other jurisdiction.

Section 6.17 Time of the Essence.

Time shall be of the essence of this Agreement.

Section 6.18 Charging Clause.

For better securing to the Collateral Agent the repayment in the manner set out above of the principal sum set forth herein together with all other Secured Obligations, the Chargor hereby mortgages to the Collateral Agent all of its estate and interest in the Charged Property.

Section 6.19 Waiver of Financing Statement, Etc.

The Chargor hereby waives the right to receive from the Collateral Agent a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

Section 6.20 Undertaking to Grant Fixed Charge.

If the Collateral Agent determines, in its sole and absolute discretion, that there has been a Material Adverse Effect, or a Default or Event of Default has occurred and is continuing, and the Collateral Agent considers it necessary for its adequate protection, the Chargor, at the request of the Collateral Agent, will forthwith grant or cause to be granted to the Collateral Agent a fixed Lien (subject only to Permitted Liens which under Applicable Law rank in priority thereto) in such of the Chargor's property as the Collateral Agent, in its sole and absolute discretion, determines as security for all then present and future Secured Obligations. The Chargor will:

- (a) do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Collateral Agent to give effect to any provision of the amended, new or replacement security documents, as applicable;
- (b) provide the Collateral Agent with such information as is reasonably required by the Collateral Agent to identify the property to be charged;
- (c) do all such things as are reasonably required to grant the Liens to be granted pursuant to the amended, new or replacement security documents;
- (d) provide the Collateral Agent with all corporate, partnership or other organizational resolutions and other action required for the Chargor to grant the amended, new or replacement security documents;
- (e) provide the Collateral Agent with an opinion of the Chargor's counsel confirming the due authorization, execution and delivery by the Chargor of all such agreements and instruments comprising the amended, new or replacement security documents in form and content satisfactory to the Collateral Agent, acting reasonably; and
- (f) assist the Collateral Agent in the registration or recording of such security documents in such public registry offices in Canada and any province thereof as the Collateral Agent,

acting reasonably, deems necessary to protect the Liens created by such security documents.

Section 6.21 Electronic Execution and Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[Remainder of page left intentionally blank.]

DATED as of the date first written above.

GRIFFON PARTNERS HOLDING CORP.

Per: 

Name: Daryl Stepanic

Title: Chief Executive Officer

Acknowledged and Agreed to by:

GLAS AMERICAS LLC

Per: _____



Name: Yana Kislenko
Title: Vice President

SCHEDULE "A"

LANDS

Nil.

GRIFFON PARTNERS OPERATION CORP.

as Chargor

and

GLAS AMERICAS LLC

as Collateral Agent

FIXED AND FLOATING CHARGE DEBENTURE

July 21, 2022

FIXED AND FLOATING CHARGE DEBENTURE

Fixed and floating charge debenture dated as of July 21, 2022 made by Griffon Partners Operation Corp. (the “**Chargor**”) to and in favour of GLAS Americas LLC (the “**Collateral Agent**”) for the benefit of the Secured Parties.

RECITALS:

- (a) The Collateral Agent and the Chargor are each party to a loan agreement dated as of the date hereof (the “**Loan Agreement**”) among the Chargor, as borrower, Griffon Partners Capital Management Ltd. and Griffon Partners Holding Corp., as guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as lenders (collectively, the “**Lenders**”), the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent;
- (b) The Lenders have agreed to make a credit facility available to the Chargor on the terms and conditions contained in the Loan Agreement; and
- (c) It is a condition precedent to the extension of credit to the Chargor under the Loan Agreement that the Chargor execute and deliver this Agreement in favour of the Collateral Agent, for the benefit of the Secured Parties, as security for the payment and performance of the Secured Obligations.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which consideration is hereby acknowledged, the Chargor agrees as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

“**Administrative Agent**” means GLAS USA LLC and its successors and assigns.

“**Agreement**” means this fixed and floating charge debenture.

“**Charge**” means the security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement.

“**Charged Property**” means the subject matter of the Charge.

“**Chargor Obligations**” means all Secured Obligations (as defined in the Loan Agreement) of the Chargor.

“**Expenses**” means all expenses, costs and charges incurred by or on behalf of any Secured Party in connection with this Agreement, the Charge or the Charged Property, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Charged Property, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with any Secured Party’s interest in any Charged Property, whether or not directly relating to the enforcement of this Agreement or any other Credit Documents.

"Fixtures" means all fixtures (including trade fixtures), facilities and equipment, howsoever affixed or attached to real property or buildings or other structures on real property, now owned or hereafter acquired by the Chargor.

"Loan Agreement" has the meaning set forth in the recitals.

"P&NG Leases" has the meaning set forth in the Loan Agreement, and includes, without limitation, those leases described in Exhibit "1" to Schedule A hereto, as such leases may be amended, modified, supplemented or restated from time to time, together with all other instruments that may be issued pursuant thereto or in connection therewith from time to time and together with all P&NG Rights.

"P&NG Rights" has the meaning set forth in the Loan Agreement.

"Permitted Liens" has the meaning set forth in the Loan Agreement.

"Petroleum Substances" has the meaning set forth in the Loan Agreement.

"PPSA" means the *Personal Property Security Act* (Alberta).

"Product" shall mean any products obtained pursuant to the Leases by:

- (a) processing Petroleum Substances; or
- (b) by reprocessing a product referred to in paragraph (a) of this definition,

and includes any products obtained by any subsequent reprocessing of the products obtained under paragraphs (a) and (b) of this definition.

"Receiver" has the meaning specified in Section 4.2(a).

"Secured Obligations" means, collectively, the Chargor Obligations and the Expenses.

"Secured Parties" has the meaning set forth in the Loan Agreement.

"Specifically Mortgaged Lands" means the lands set forth in Exhibit "1" to Schedule "A", together with any and all lands which may now or hereafter be pooled, unitized, grouped or otherwise combined for production or other purposes therewith, and including all Petroleum Substances within, upon or under such lands.

"Wells" means the wells now or hereafter located on the Specifically Mortgaged Lands.

Section 1.2 Interpretation.

- (1) Capitalized terms used in this Agreement but not defined have the meanings given to them in the Loan Agreement.
- (2) Any reference in this Agreement, the Loan Agreement or any other Credit Document to Liens permitted hereunder or thereunder and any right of the Chargor to create or suffer to exist Liens permitted hereunder or thereunder are not intended to and do not and will not subordinate the Charge to any such Lien or give priority to any Person over the Collateral Agent.
- (3) In this Agreement the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. The phrase **"the aggregate of"**, **"the total of"**, **"the sum of"**, or a phrase of similar meaning means **"the aggregate (or total or sum), without duplication, of"**. The expression **"Article"**, **"Section"**, **"Schedule"** or other subdivision

followed by a number mean and refer to the specified Article, Section, Schedule or other subdivision of this Agreement.

- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.
- (7) Any reference to this Agreement, the Loan Agreement, any other Credit Document or any other agreement refers to this Agreement, the Loan Agreement, any other Credit Document or other agreement as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented, novated and includes all schedules attached to it. Any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

Section 1.3 Interest Act (Canada).

For purposes of the *Interest Act* (Canada), (i) whenever any interest or fee under this Agreement is calculated using a rate based on a year of 365 days, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 365 days, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 365, (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement, and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

Section 1.4 Nominal Rates.

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement. All interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, after as well as before maturity, default and judgment. The rates of interest specified in this Agreement are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

ARTICLE 2 ACKNOWLEDGEMENT OF INDEBTEDNESS

Section 2.1 Promise to Pay.

The Chargor, for value received, hereby acknowledges itself indebted to the Collateral Agent and promises to pay ON DEMAND to or to the order of the Collateral Agent, the principal sum of TWO HUNDRED MILLION DOLLARS (\$200,000,000) on presentation and surrender of this Agreement at the offices of the Collateral Agent located at 3 Second Street, Suite 206 Jersey City, NJ 07311, or at such other place as the Collateral Agent may designate by notice in writing to the Chargor, and to pay interest thereon from the date hereof at the rate per annum of twenty percent (20%) in like money at the same place, monthly, on the last day of each month; and, if the Chargor should at any time make default in the payment of any principal or interest, to pay interest on the amount in default both before and after demand, default and judgment, with interest on overdue interest at the same rate in lawful money of Canada at the same place on the same dates.

The Collateral Agent is the Person entitled to receive the principal of, and interest on, this Agreement and all other amounts payable hereunder.

ARTICLE 3 SECURITY

Section 3.1 Grant of Charge.

As security for the due payment and performance of all Secured Obligations, and subject to the provisions of Section 3.5 hereof, the Chargor hereby:

- (a) grants, assigns as security, conveys, mortgages, pledges and charges, as and by way of a fixed and specific mortgage, charge and pledge, to and in favour of the Collateral Agent, for the benefit of the Secured Parties, all of its present and future right, title, interest and estate in and to the Specifically Mortgaged Lands, the Leases and all Petroleum Substances produced from, the Specifically Mortgaged Lands, the Products, together with all of the Chargor's present and future interest in all rights, leases, licenses, easements, rights-of-way, profits-à-prendre, interests in real property, structures, underground facilities, Wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter with respect to or constructed or placed on the Specifically Mortgaged Lands or used in connection with the Specifically Mortgaged Lands and all accretions, additions and accessions thereto, and any and all proceeds of any of the foregoing;
- (b) grants, assigns, conveys, transfers, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Collateral Agent, for the benefit of the Secured Parties, and grants a continuing security interest to the Collateral Agent, for the benefit of the Secured Parties, in, all of the Chargor's present and after-acquired personal property including, without limitation, all present and after-acquired right, title and interest in and to all goods, chattel paper, securities, documents of title, instruments, intangibles, investment property and money (as such terms are defined in the PPSA), wherever located; and
- (c) grants, assigns as security, conveys, mortgages and charges, as and by way of a floating charge, to and in favour of the Collateral Agent, for the benefit of the Secured Parties, all of the right, title, interest and estate in and to real property and personal property of the Chargor not subject to the fixed charge in Section 3.1(a) or the security interest in Section 3.1(b), both present and future, of every nature and kind and wherever situate including, without limitation, the Chargor's interest in all rights, leases (including, without limitation, petroleum and/or natural gas leases), licenses, easements, rights-of-way, profits-à-prendre, interests in real property, structures, underground facilities, wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter with respect to or constructed or placed on such real property or used in connection with such real property and all accretions, additions and accessions thereto, which the Chargor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter, and any and all proceeds of any of the foregoing.

Section 3.2 Secured Obligations.

The Charge granted by this Agreement secures the payment and performance of the Secured Obligations.

Section 3.3 Crystallization of Floating Charge.

Without limiting its rights hereunder to crystallize the Charge set forth in Section 3.1(c) above in any other manner, the Collateral Agent, upon the occurrence of and during the continuance of an Event of Default, may to the extent permitted by applicable law crystallize and fix the Charge set forth in Section 3.1(c) above in respect of all or a portion of the Charged Property by notice in writing to the

Chargor without any requirement for further intervention by the Collateral Agent (whether by the taking of possession, the appointment of a Receiver or otherwise), but without in any way limiting the powers, rights and remedies of the Collateral Agent hereunder in respect of the Charged Property.

Section 3.4 Attachment.

The Chargor acknowledges that: (i) value has been given; (ii) it has rights in the Charged Property or the power to transfer rights in the Charged Property to the Collateral Agent, for the benefit of the Secured Parties (other than after-acquired Charged Property); (iii) it has not agreed to postpone the time of attachment of the Charge; and (iv) it has received a copy of this Agreement. The Charge is intended to, and shall, attach to the existing Charged Property when the Chargor signs this Agreement, and to any other after-acquired Charged Property subsequently acquired by the Chargor immediately upon the Chargor acquiring any rights in such after-acquired Charged Property.

Section 3.5 Scope of Charge.

- (1) The Charge does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement therefor now held or hereafter acquired by the Chargor, but the Chargor shall thereafter stand possessed of such last day in trust for the Collateral Agent to assign the same to any Person acquiring such term in the course of enforcement of the Charge.
- (2) To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a security interest in any agreement, licence, permit or quota of the Chargor would result in the termination of such agreement, licence, permit or quota (in this Section 3.5 each, a "**Restricted Asset**"), the Charge with respect to each Restricted Asset will constitute a trust created in favour of the Collateral Agent, for the benefit of the Secured Parties, pursuant to which the Chargor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Collateral Agent on the following basis:
 - (a) until the Charge is enforceable and subject to the Loan Agreement, the Chargor is entitled to receive all such proceeds; and
 - (b) whenever the Charge is enforceable, (i) all rights of the Chargor to receive such proceeds cease and all such proceeds will be immediately paid over to the Collateral Agent and (ii) the Chargor will take all actions requested by the Collateral Agent to collect and enforce payment and other rights arising under the Restricted Asset.

The Chargor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Restricted Assets to the assignment of such Restricted Asset to the Collateral Agent in accordance with this Agreement. The Chargor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Collateral Agent, for the benefit of the Secured Parties, in accordance with the terms of this Agreement.

Section 3.6 Chargor Remains Liable.

Notwithstanding the provisions of this Agreement: (i) the Chargor shall remain liable to perform all of its duties and obligations in regard to the Charged Property (including, without limitation, all of its duties and obligations arising under any leases, licenses, permits, reservations, contracts, agreements, instruments, contractual rights and governmental orders, authorizations, licenses and permits now or hereafter pertaining thereto) to the same extent as if this Agreement had not been executed; (ii) the exercise by or on behalf of the Collateral Agent of any of their rights and remedies under or in regard to this Agreement shall not release the Chargor from such duties and obligations in respect of the Charged Property subject to applicable law; and (iii) the Collateral Agent shall have no liability for such duties and obligations by reason of the execution and delivery of this Agreement.

Section 3.7 Protective Disbursements.

If the Chargor fails to perform any of its covenants in this Agreement or otherwise, then the Collateral Agent may, in its absolute discretion, perform any covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, the Collateral Agent may make the payment but is under no obligation to do so. All sums paid or expended by the Collateral Agent are immediately payable by the Chargor, bear interest at the rate set forth in this Agreement and are secured by this Agreement, having the benefit of the Charge in priority to the indebtedness evidenced by this Agreement. No such performance or payment will relieve the Chargor from any default under this Agreement or the consequences of such default.

Section 3.8 Continuing Security.

This Agreement shall be a continuing obligation, shall cover and secure any ultimate balance of the Secured Obligations owing to the Collateral Agent, for the benefit of the Secured Parties, and shall be operative and binding notwithstanding that at any time or times the Secured Obligations may be zero, or that any payments from time to time may be made to the Collateral Agent, for the benefit of the Secured Parties, or any settlements of account effected, or any other thing whatsoever done, suffered or permitted, or any other action short of complete and irrevocable payment of all the Secured Obligations and any other amounts payable hereunder.

ARTICLE 4 ENFORCEMENT

Section 4.1 Enforcement.

The Charge becomes and is enforceable against the Chargor upon the occurrence and during the continuance of an Event of Default.

Section 4.2 Remedies.

Whenever the Charge is enforceable, the Collateral Agent, for and on behalf of the Secured Parties, may, at any time, in its sole discretion, realize upon the Charged Property and the Collateral Agent shall have the following rights and remedies:

- (a) the Collateral Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the Charged Property and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Charged Property or any part thereof; and the term “Collateral Agent” when used in this Section 4.2 shall include any Receiver so appointed and the agents, officers and employees of such Receiver;
- (b) the Collateral Agent may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any part of the Charged Property;
- (c) the Collateral Agent may enter into and take possession of the Charged Property and require the Chargor to make the Charged Property available to the Collateral Agent;
- (d) the Collateral Agent may carry on or concur in the carrying on of all or any part of the business of the Chargor relating to the Charged Property;
- (e) the Collateral Agent may enforce any rights of the Chargor in respect of the Charged Property by any manner permitted by applicable law;
- (f) the Collateral Agent may sell, lease or otherwise dispose of all or any part of the Charged Property, either as a whole or in separate parcels, by public auction, public tender,

private tender or private sale at such time or times as the Collateral Agent may determine, with or without notice to the Chargor, either for cash or upon credit or any other arrangement providing for deferred payment, upon such terms and conditions as the Collateral Agent may determine and without notice to the Chargor unless required by applicable law, with or without advertisement, and with or without a reserve bid as the Collateral Agent, in its sole discretion, may see fit, and the Collateral Agent may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time, and may execute and deliver to the purchaser or purchasers of the Charged Property or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or director of the Collateral Agent being hereby constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deeds or conveyances, upon the Charge becoming enforceable, and any such sale made as aforesaid shall be a perpetual bar both in applicable law and in equity against the Chargor and all other Persons claiming all or any part of the Charged Property by, from, through or under the Chargor;

- (g) the Collateral Agent may institute proceedings in any court of competent jurisdiction for sale (including, without limitation, sale by way of a deferred payment arrangement) or foreclosure or lease of all or any part of the Charged Property;
- (h) the Collateral Agent may file proofs of claim and other documents to establish its claims in any proceeding relative to the Chargor;
- (i) the Collateral Agent may accept the Charged Property in satisfaction or partial satisfaction of the Charge upon notice to the Chargor of its intention to do so in the manner required by applicable law;
- (j) the collection of any proceeds arising in respect of the Charged Property; and
- (k) the Collateral Agent may exercise any other right or remedy permitted by applicable law, statute or equity, including, without limitation, all rights and remedies of a Collateral Agent under the PPSA and any other personal property security legislation in any other jurisdictions where the Charged Property may be located.

Section 4.3 Additional Rights.

In addition to the remedies set forth in Section 4.2 and elsewhere in this Agreement, whenever the Charge is enforceable, the Collateral Agent may:

- (a) require the Chargor, at the Chargor's expense, to assemble the Charged Property at a reasonable place or places designated by notice in writing and the Chargor agrees to so assemble the Charged Property promptly upon receipt of such notice;
- (b) require the Chargor, by notice in writing, to disclose to the Collateral Agent the location or locations of the Charged Property and the Chargor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Charged Property and prepare for the disposition of the Charged Property, whether on the premises of the Chargor or otherwise;
- (d) redeem any prior Lien against any Charged Property, procure the transfer of such Lien to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Chargor);

- (e) pay any liability secured by any Lien against any Charged Property or discharge any Lien that may exist or be threatened against the Charged Property (the Chargor will promptly upon receipt of written notice reimburse the Collateral Agent for all such payments);
- (f) to facilitate the realization of the Charged Property, enter upon, occupy and use all or any of the premises, buildings and plant comprising the Charged Property and use all or any of the equipment and other personal property of the Chargor for such time as the Collateral Agent requires to facilitate such realization, free of charge (as between the Chargor and the Collateral Agent), and the Collateral Agent shall not be liable to the Chargor for any act, omission or neglect in so doing or in respect of any rent, charges, depreciation or damages incurred in connection with such actions, unless such act, omission or neglect is caused by gross negligence or wilful default of the Collateral Agent;
- (g) borrow for the purpose of carrying on the business of the Chargor or for the maintenance, preservation or protection of the Charged Property and grant a security interest in the Charged Property, whether or not in priority to the Charge, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Charged Property, and give good and valid receipts and discharges in respect of the Charged Property and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Chargor; and
- (i) at any public sale, and to the extent permitted by applicable law on any private sale, bid for and purchase any or all of the Charged Property offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Charged Property without any further accountability to the Chargor or any other Person with respect to such holding, retention or disposition, except as required by applicable law. In any such sale to the Collateral Agent, the Collateral Agent may, for the purpose of making payment for all or any part of the Charged Property so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 4.4 Exercise of Remedies.

The remedies under Section 4.2 and Section 4.3 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Collateral Agent however arising or created. The Collateral Agent is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Collateral Agent in respect of the Secured Obligations including the right to claim for any deficiency.

Section 4.5 Appointment of Attorney.

The Chargor hereby irrevocably constitutes and appoints the Collateral Agent (and any director or officer of the Collateral Agent) the true and lawful attorney of the Chargor. As the attorney of the Chargor, the Collateral Agent has the power to exercise for and in the name of the Chargor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Chargor's right (including the right of disposal), title and interest in and to the Charged Property, including the execution, endorsement, delivery and transfer of the Charged Property to the Collateral Agent, its nominees or transferees, and the Collateral Agent and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Charged Property to the same extent as the Chargor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Chargor. This power of attorney extends to and is binding upon the Chargor's successors and permitted assigns. The Chargor authorizes the Collateral Agent to delegate in writing to

another Person any power and authority of the Collateral Agent under this power of attorney as may be necessary or desirable in the opinion of the Collateral Agent, and to revoke or suspend such delegation.

Section 4.6 Dealing with the Charged Property.

- (1) Neither the Collateral Agent, any Receiver nor any agent of any of them (including any civil enforcement agent) shall be: (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Charged Property; (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Charged Property or for the purpose of preserving any rights of any Persons; (iii) responsible for any loss occasioned by any sale or other dealing with the Charged Property or by the retention of or failure to sell or otherwise deal with the Charged Property; or (iv) bound to protect the Charged Property from depreciating in value or becoming worthless.
- (2) The Collateral Agent may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Chargor and with other Persons, sureties or securities as they may see fit without prejudice to the Secured Obligations, the liability of the Chargor under the Credit Documents or the rights of the Collateral Agent in respect of the Charged Property.
- (3) The Collateral Agent shall not be obliged to exhaust its recourse against the Chargor or any other Person or against any other security they may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Charged Property in such manner as the Collateral Agent may consider desirable.

Section 4.7 Status of the Receiver.

- (1) Subject to all applicable laws, any Receiver appointed by the Collateral Agent is vested with the rights and remedies which could have been exercised by the Collateral Agent in respect of the Chargor or the Charged Property and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments including, without limitation, any or all of the powers of the Collateral Agent or of the officer or director of the Collateral Agent referred to above. The identity of the Receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Collateral Agent.
- (2) The Receiver shall, for all purposes relating to the Receiver's acts or defaults and remuneration, be deemed to be the agent of the Chargor and not of the Collateral Agent, and the Chargor shall be solely responsible for the Receiver's acts or defaults and remuneration. The Receiver may sell, lease, or otherwise dispose of Charged Property as agent for the Chargor or as agent for the Collateral Agent as the Collateral Agent may determine in its discretion. The Chargor agrees to ratify and confirm all actions of the Receiver acting as agent for the Chargor, and to release and indemnify the Receiver in respect of all such actions.
- (3) All amounts from time to time received by the Collateral Agent or the Receiver may (but need not) be applied in the following order: (i) in discharge of all operating expenses and other outgoings affecting the Charged Property; (ii) in keeping in good standing all Liens on the Charged Property having priority over the Charge; (iii) in payment of the remuneration and disbursements of the Receiver (if any); (iv) in payment to the Collateral Agent of the amounts payable hereunder; (v) to such reserves against potential claims that the Collateral Agent or the Receiver in good faith believes should be maintained, until such potential claims are settled, and the balance, if any, shall be paid as determined by the Collateral Agent in its sole discretion.
- (4) The Collateral Agent, in appointing or refraining from appointing any Receiver, does not incur liability to the Receiver, the Chargor or otherwise and is not responsible for any misconduct or negligence of such Receiver.

Section 4.8 Powers of Privately Appointed Receiver.

Any Receiver appointed by instrument in writing shall, to the extent permitted by applicable law, have power to:

- (a) take possession of, collect and get in all or any part of the Charged Property and, for that purpose, to take proceedings in the name of the Chargor or otherwise, and to make any arrangement or compromise;
- (b) from time to time and without any previous notice or demand and free of charge, enter upon or into and occupy and use all or any part of the premises, buildings, plant and undertaking of or occupied or used by the Chargor without being or being deemed to be a mortgagee in possession;
- (c) carry on or concur in carrying on all or any part of the business of the Chargor;
- (d) borrow or raise money on all or any part of the Charged Property in priority to this Agreement or otherwise for such purposes as may be approved by the Collateral Agent; and
- (e) sell or lease or concur in selling or leasing all or any part of the Charged Property without notice and in such manner as may seem advisable to the Receiver (including, without limitation, sale by way of deferred payment arrangement), and to effect such sale by conveying in the name and on behalf of the Chargor or otherwise.

Section 4.9 Standards of Sale.

Without prejudice to the ability of the Collateral Agent to dispose of the Charged Property in any manner which is commercially reasonable and without limitation to the other provisions of this Agreement, the Chargor acknowledges that, in connection with any enforcement of the Charge provided for herein:

- (a) the Charged Property may be disposed of in whole or in part;
- (b) the Charged Property may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Charged Property may be the Collateral Agent or a customer of any such Person;
- (d) any sale conducted by the Collateral Agent will be at such time and place, on such notice, in accordance with such procedures and on such terms and conditions as the Collateral Agent, in its sole discretion, may deem advantageous;
- (e) the Charged Property may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Charged Property) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Charged Property may be on such terms and conditions as to credit or otherwise as the Collateral Agent, in its sole discretion, may deem advantageous; and
- (g) the Collateral Agent may establish an upset or reserve bid or price in respect of the Charged Property.

Section 4.10 Dealings by Third Parties.

- (a) No Person dealing with the Collateral Agent or an agent or a Receiver is required to determine: (i) whether the Charge has become enforceable; (ii) whether the powers which such Person is purporting to exercise have become exercisable; (iii) whether any money remains due to the Collateral Agent by the Chargor; (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) the propriety or regularity of any sale or any other dealing by the Collateral Agent with the Charged Property; or (vi) how any money paid to the Collateral Agent has been applied.
- (b) Any *bona fide* purchaser of all or any part of the Charged Property from the Collateral Agent or any Receiver or agent will hold the Charged Property absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Chargor, which it specifically waives (to the fullest extent permitted by applicable law) as against any such purchaser and all rights of redemption, stay or appraisal which the Chargor has or may have under any rule of law now existing or hereafter adopted.

Section 4.11 No Right of Set-Off.

The Secured Obligations secured by this Agreement shall be paid when due by the Chargor without regard to any equities existing between the Chargor and any other party including, without limitation, the Collateral Agent or any Secured Party and without regard to any right of set-off or cross-claim or of any other claim or demand of the Chargor against the Collateral Agent or any Secured Party.

**ARTICLE 5
COVENANTS**

Section 5.1 Covenants of the Chargor.

The Chargor covenants and agrees, acknowledging and confirming that the Collateral Agent is relying on such covenants and agreements, that:

- (a) **Negative Pledge.** The Chargor will not create or suffer to exist any Lien over the Charged Property, except for the Permitted Liens and as otherwise permitted by the Loan Agreement;
- (b) **Perfection and Protection of Charge.** The Chargor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are reasonably requested by the Collateral Agent at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Charge including: (i) executing, recording and filing of financing or other statements, and paying all applicable taxes, fees and other charges payable, (ii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Charge constitutes a valid and first perfected Lien (subject only to Permitted Liens), and (iii) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Collateral Agent;
- (c) **Defend Charged Property.** The Chargor will defend the Charged Property from all adverse claims where the failure to do so would reasonably be expected to have, singly or in the aggregate, a material adverse effect; and
- (d) **Quiet Possession.** Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall be entitled to quiet possession of the Charged Property free from all Liens except for the Permitted Liens; subject to bankruptcy and insolvency laws and other similar laws of general application affecting the enforcement of creditors;

to the discretion of the courts in granting equitable remedies, and to general principles of law and equity.

Section 5.2 Supplemental Debentures.

At any time and from time to time, at the request of the Collateral Agent, the Chargor shall execute supplemental debentures hereto for any purpose, including without limitation, to more particularly describe the Charged Property or to correct or amplify the description of the Charged Property, to better assure, convey and confirm unto the Collateral Agent, for the benefit of the Secured Parties, any Charged Property or to update any Schedule herein. Upon the execution of any supplemental debenture under this Section 5.2 or any other modification agreed to by the Collateral Agent, this Agreement shall be modified in accordance therewith, and each supplemental debenture or modification shall form a part of this Agreement for all purposes and the Chargor shall be bound thereby.

Section 5.3 Expropriation.

Should any interest in or any part of the Charged Property be taken by the exercise of the right of eminent domain or taken, purchased or expropriated by any Governmental Authority or taken by a power reserved in any grant, the Collateral Agent may release the Charged Property so taken or purchased and shall be fully protected in so doing upon being furnished with an opinion of its counsel to the effect that such Charged Property has been taken by exercise of the right of eminent domain or purchased or expropriated by any Governmental Authority or a power reserved in any grant. The proceeds of all Charged Property so taken, purchased or expropriated shall be paid over to the Collateral Agent and be applied as set forth in Section 6.15.

ARTICLE 6 GENERAL

Section 6.1 Loan Agreement Governs.

Notwithstanding anything to the contrary contained herein, this Agreement is issued subject always to the covenants, conditions, limitations and other provisions contained in the Loan Agreement. In the event of any conflict, discrepancy, difference or ambiguity in or between any of the provisions of this Agreement and any of the provisions of the Loan Agreement including, without limitation, in the amount payable thereunder, the principal sum for which this Agreement is expressed to be security or the interest payable thereunder and the interest rate on such principal sum, the provisions of the Loan Agreement shall prevail. For the avoidance of doubt, neither the Collateral Agent nor any subsequent holder of this Agreement may, at any time, claim any greater amount in respect of the principal amount of this Agreement than the aggregate amount of the Secured Obligations (excluding the stated principal sum of this Agreement and interest payable thereon at the stated rate of interest under this Agreement) outstanding at that time. Payment to the Collateral Agent of interest for any period in respect of the Secured Obligations is deemed to be payment in satisfaction of the interest payment for the same period under this Agreement.

Section 6.2 Partial Release.

No postponement or partial release or discharge of the Charge in respect of all or any part of the Charged Property for any reason whatsoever shall in any way operate or be construed so as to release and discharge the Charge in respect of the Charged Property except as therein specifically provided, or so as to release or discharge the Chargor from its liability to the Collateral Agent to fully pay and satisfy the Secured Obligations.

Section 6.3 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing and given in accordance with the Loan Agreement.

Section 6.4 Discharge.

The Charge will be discharged in accordance with Section 3.7 of the Loan Agreement.

Section 6.5 No Merger.

This Agreement shall not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Collateral Agent shall operate by way of merger of, or in any way affect, the Charge, which is in addition to, and not in substitution for, any other security held by the Collateral Agent in respect of the Secured Obligations. The representations, warranties and covenants of the Chargor in this Agreement survive the execution and delivery of this Agreement and any advances under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent, these covenants, representations and warranties continue in full force and effect.

Section 6.6 Further Assurances.

The Chargor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Collateral Agent may require and take all further steps relating to the Charged Property or any other property or assets of the Chargor that the Collateral Agent may reasonably require for: (i) protecting the Charged Property; (ii) perfecting, preserving or protecting the Charge; and (iii) exercising all powers, authorities and discretions hereby conferred upon the Collateral Agent. After the Charge becomes enforceable, the Chargor will do all acts and things and execute and deliver all documents and instruments as the Collateral Agent may require for facilitating the sale or other disposition of the Charged Property in connection with its realization.

Section 6.7 Supplemental Security.

This Agreement is in addition and without prejudice to and supplemental to all other security now held or which may hereafter be held by the Collateral Agent or any of the Secured Parties.

Section 6.8 Successors and Assigns.

- (1) This Agreement creates a continuing Charge in the Charged Property and shall (i) be binding on the Chargor and its successors and assigns, and (ii) enure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and each of its respective successors, permitted transferees and permitted assigns. No other Person (including any other creditor of the Chargor) shall have any interest herein or any right or benefit with respect hereto.
- (2) Without limiting the generality of this Section 6.8, the Collateral Agent may assign all or otherwise transfer all or any part of, or may grant participation in all or any part of, its interest in this Agreement to any other Person, in each case in accordance with the Loan Agreement, and such other Person shall then become vested with all the rights granted to the Collateral Agent in this Agreement or otherwise.
- (3) The Chargor may not assign, transfer or delegate any of its rights or obligations under this Agreement.
- (4) The Chargor agrees that its obligations hereunder and the Charge shall continue to be effective or be reinstated, as applicable, if at any time payment, or any part thereof, of all or any part of the Secured Obligations is rescinded or must otherwise be restored by the Collateral Agent upon the bankruptcy or reorganization of the Chargor or otherwise.

Section 6.9 Amalgamation.

The Chargor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Charge (i) subject to Section 3.5, extends to: (A) all of the property of the type and description set forth in Section 3.1 that any of the amalgamating corporations then owns, (B) all of the property of the type and description set forth in Section 3.1 that the amalgamated corporation thereafter acquires, (C) all of the property of the type and

description set forth in Section 3.1 in which any of the amalgamating corporations then has any interest and (D) all of the property of the type and description set forth in Section 3.1 in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Collateral Agent in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Charge attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Chargor**” includes, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Charged Property**” means all of the property and undertaking and interests described in (i) above, and the defined term “**Secured Obligations**” means the obligations described in (ii) above.

Section 6.10 Dollars or “\$”.

A reference herein to “\$” or the word “dollar” or “Dollars”, without more, shall be a reference to lawful money of Canada.

Section 6.11 Currency Indemnity.

(1) If any sum due from the Chargor under this Agreement (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:

- (a) making or filing a claim or proof against the Chargor;
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Chargor shall as an independent obligation, within five (5) Business Days of demand, indemnify the Collateral Agent against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that Person at the time of its receipt of that Sum.

(2) The Chargor waives any right it may have in any jurisdiction to pay any amount under this Agreement in a currency or currency unit other than that in which it is expressed to be payable.

Section 6.12 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 6.13 Amendment.

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent and the Chargor.

Section 6.14 Waivers, etc.

(1) No consent or waiver by the Collateral Agent in respect of this Agreement is binding unless made in writing and signed by an authorized officer or director of the Collateral Agent. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which it is given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.

- (2) A failure or delay on the part of the Collateral Agent in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Collateral Agent however arising. A single or partial exercise of a right on the part of the Collateral Agent does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent.

Section 6.15 Application of Proceeds of Security.

All monies collected by the Collateral Agent upon the enforcement of the Collateral Agent's rights and remedies under the Loan Agreement and the other Credit Documents and the Liens created by them including any sale or other disposition of the Charged Property, together with all other monies received by the Collateral Agent under the Loan Agreement and the other Credit Documents, will be applied as provided in the Loan Agreement.

Section 6.16 Governing Law.

- (1) This Agreement shall be governed by and construed in accordance with the laws of Alberta and the laws of Canada applicable therein.
- (2) The Chargor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Agreement. The Chargor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Chargor in the courts of any other jurisdiction.

Section 6.17 Time of the Essence.

Time shall be of the essence of this Agreement.

Section 6.18 Charging Clause.

For better securing to the Collateral Agent the repayment in the manner set out above of the principal sum set forth herein together with all other Secured Obligations, the Chargor hereby mortgages to the Collateral Agent all of its estate and interest in the Charged Property.

Section 6.19 Waiver of Financing Statement, Etc.

The Chargor hereby waives the right to receive from the Collateral Agent a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

Section 6.20 Undertaking to Grant Fixed Charge.

If the Collateral Agent determines, in its sole and absolute discretion, that there has been a Material Adverse Effect, or a Default or Event of Default has occurred and is continuing, and the Collateral Agent considers it necessary for its adequate protection, the Chargor, at the request of the Collateral Agent, will forthwith grant or cause to be granted to the Collateral Agent a fixed Lien (subject only to Permitted Liens which under Applicable Law rank in priority thereto) in such of the Chargor's property as the Collateral Agent, in its sole and absolute discretion, determines as security for all then present and future Secured Obligations. The Chargor will:

- (a) do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Collateral Agent to give effect to any provision of the amended, new or replacement security documents, as applicable;
- (b) provide the Collateral Agent with such information as is reasonably required by the Collateral Agent to identify the property to be charged;

- (c) do all such things as are reasonably required to grant the Liens to be granted pursuant to the amended, new or replacement security documents;
- (d) provide the Collateral Agent with all corporate, partnership or other organizational resolutions and other action required for the Chargor to grant the amended, new or replacement security documents;
- (e) provide the Collateral Agent with an opinion of the Chargor's counsel confirming the due authorization, execution and delivery by the Chargor of all such agreements and instruments comprising the amended, new or replacement security documents in form and content satisfactory to the Collateral Agent, acting reasonably; and
- (f) assist the Collateral Agent in the registration or recording of such security documents in such public registry offices in Canada and any province thereof as the Collateral Agent, acting reasonably, deems necessary to protect the Liens created by such security documents.

Section 6.21 Electronic Execution and Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[Remainder of page left intentionally blank.]

DATED as of the date first written above.

GRIFFON PARTNERS OPERATION CORP.

Per:




Name: Daryl Stepanic

Title: Chief Executive Officer

Acknowledged and Agreed to by:

GLAS AMERICAS LLC

Per: 
Name: Yana Kislenko
Title: Vice President

SCHEDULE "A"

LANDS AND PROPERTY INTERESTS

The Specifically Mortgaged Lands referred to in Section 3.1(a) to the Agreement to which this Schedule "A" forms a part consist of all of the present and after-acquired right, title, interest and estate of the Chargor in and to:

- (1) all Petroleum Substances (including, without limitation, petroleum, natural gas, oil and related hydrocarbons) or minerals in place or in storage within, upon or under the Specifically Mortgaged Lands (the interest of the Chargor therein being represented to be not less than that set forth in Exhibit "1" to this Schedule "A");
- (2) all rights, licenses, agreements, leases, permits, servitudes, privileges, easements, rights of way, rights of entry, rights of ingress and egress, and other surface rights, governmental or administrative authorizations, licenses, permits and consents and other rights now owned or hereafter acquired by the Chargor under which the Chargor derives, holds or maintains the right to enter upon, occupy and use the Specifically Mortgaged Lands (and any other lands used in connection with operations relating to such lands) including, without limitation, the right to drill for produce, store, gather, treat, process, ship, or transport Petroleum Substances and associated waste products now or hereafter produced or allocated to the Specifically Mortgaged Lands;
- (3) all Leases, licenses, permits, reservations, agreements, authorizations and other instruments (including, without limitation, such as may be described in Exhibit "1" to this Schedule "A") under which the Chargor derives, holds or maintains rights in and to the Specifically Mortgaged Lands or any Products, including agreements respecting the right to drill for, produce, store, gather, treat, process, ship, or transport hydrocarbons and associated waste products now or hereafter produced or allocated to the Specifically Mortgaged Lands, and all rights, benefits, privileges and advantages of the Chargor thereunder or derived therefrom;
- (4) all the estate or interest of the Chargor in and to any of the foregoing hydrocarbons or minerals, rights, licenses, permits and lands including, without limitation, all interests and rights known as a working interest, royalty interest, overriding royalty interest, gross overriding royalty interest, production payments, profits interest, net profits interest, revenue interest, net revenue interest and other interests in and to all such lands (including all stratigraphic formations from surface to basement) and leases and fractional or undivided interests in any of the foregoing; and
- (5) all buildings, structures, improvements, expansions, erections, works, and Fixtures now or hereafter brought, built, erected, constructed, placed or otherwise situate on the Specifically Mortgaged Lands,

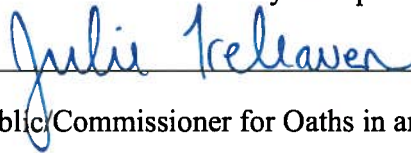
and in particular, but without limitation, the rights and interests of the Chargor referred to in Exhibit "1" to this Schedule "A".

EXHIBIT “1” TO SCHEDULE “A”

Lands, and Leases and other Agreements

See attached.

This is **Exhibit "J"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.

A handwritten signature in blue ink, reading "Julie Treleaven", is written over a horizontal line.

Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.

as Guarantor

and

GLAS AMERICAS LLC

as Collateral Agent

GUARANTEE

July 21, 2022

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION

Section 1.1	Defined Terms	1
Section 1.2	Interpretation	2

ARTICLE 2 GUARANTEE

Section 2.1	Guarantee	3
Section 2.2	Indemnity	3
Section 2.3	Primary Obligation	3
Section 2.4	Absolute Liability	3

ARTICLE 3 ENFORCEMENT

Section 3.1	Remedies	4
Section 3.2	Amount of Obligations	4
Section 3.3	Payment on Demand	5
Section 3.4	Costs and Expenses	5
Section 3.5	Assignment and Postponement	5
Section 3.6	Suspension of Guarantor Rights	6
Section 3.7	No Prejudice to Collateral Agent or the Secured Parties	6
Section 3.8	Rights of Subrogation	7
Section 3.9	No Set-off	7
Section 3.10	Successors of the Borrower	7
Section 3.11	Continuing Guarantee and Continuing Obligations	7
Section 3.12	Supplemental Security	7
Section 3.13	Security for Guarantee	7
Section 3.14	Right of Set-off	8
Section 3.15	<i>Interest Act</i> (Canada)	8
Section 3.16	Taxes	8
Section 3.17	Judgment Currency	9

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1	Representations and Warranties	9
Section 4.2	Loan Agreement Covenants	10

ARTICLE 5 GENERAL

Section 5.1	Notices, etc.	10
Section 5.2	No Merger, Survival of Representations and Warranties	11
Section 5.3	Further Assurances	11
Section 5.4	Successors and Assigns	11
Section 5.5	Amendment	11
Section 5.6	Waivers, etc.	11
Section 5.7	Severability	11
Section 5.8	Collateral Agent	12
Section 5.9	Application of Proceeds	12
Section 5.10	Conflict	12

Section 5.11	<i>Limitation Act</i>	12
Section 5.12	Governing Law	12
Section 5.13	Electronic Execution and Counterparts.....	12

SCHEDULES

SCHEDULE “A” GUARANTOR SECURITY DOCUMENTS

GUARANTEE

Guarantee dated as of July 21, 2022 made by Griffon Partners Capital Management Ltd. to and in favour of GLAS Americas LLC, as Collateral Agent, and the Secured Parties.

RECITALS:

- (a) The Lenders have agreed to make certain credit facilities available to the Borrower on the terms and conditions contained in the Loan Agreement;
- (b) It is a condition precedent to the extension of credit to the Borrower under the Loan Agreement that the Guarantor execute and deliver this Guarantee to the Collateral Agent, for the benefit of the Secured Parties; and
- (c) The Guarantor is the indirect parent of the Borrower and due to the close business and financial relationships between the Guarantor, the Borrower and the other affiliates party to the transactions contemplated by the Loan Agreement, the Guarantor will derive substantial direct and indirect benefits from such transactions and therefore the Guarantor considers it in its best interest to provide this Guarantee.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Guarantor agrees as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms

As used in this Guarantee the following terms have the following meanings:

"Administrative Agent" means GLAS USA LLC and its successors and assigns.

"Borrower" means Griffon Partners Operation Corp., a corporation incorporated and existing under the law of Alberta, and its successors and permitted assigns.

"Collateral Agent" means GLAS Americas LLC and its successors and assigns.

"Guarantee" means this guarantee.

"Guarantor" means Griffon Partners Capital Management Ltd., a corporation incorporated and existing under the laws of Alberta, and its successors and permitted assigns.

"Guarantor Security Documents" means the agreements described in Schedule "A" and any other security held by the Collateral Agent, from time to time for the Guarantor's obligations under this Guarantee.

"Lenders" means Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders under the Loan Agreement and their respective successors and permitted assigns.

"Loan Agreement" means the loan agreement dated as of the date hereof among the Borrower, as borrower, the Guarantor and Griffon Partners Holding Corp., as guarantors, the Lenders, as lenders, the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity

of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Lenders, Administrative Agent or Collateral Agent.

"Obligations" means the Obligations (as defined in the Loan Agreement) of the other Credit Parties.

"Other Taxes" means present and future stamp and documentary taxes and any other excise and property taxes, charges, financial institutions duties, debits taxes and similar levies which arise from any payment made by the Guarantor under this Guarantee or under any of the Guarantor Security Documents or from the execution, delivery or registration of, or otherwise with respect to, this Guarantee or any of the Guarantor Security Documents, in each case, including any interest, additions to tax or penalties applicable thereto.

"Secured Parties" has the meaning given to it in the Loan Agreement, but for certainty does not include any Swap Counterparty.

"Taxes" means all taxes, levies, imposts, deductions, charges or withholdings and all related liabilities imposed by any country (or any political subdivision or taxing authority of it), including any interest, additions to tax or penalties applicable thereto.

Section 1.2 Interpretation

- (1) Capitalized terms used in this Guarantee but not defined have the meanings given to them in the Loan Agreement.
- (2) In this Guarantee the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. The phrase **"the aggregate of"**, **"the total of"**, **"the sum of"**, or a phrase of similar meaning means **"the aggregate (or total or sum), without duplication, of"**. The expression **"Article"**, **"Section"** or other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Guarantee.
- (3) Any reference in this Guarantee to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) The division of this Guarantee into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.
- (5) The schedules attached to this Guarantee form an integral part of it for all purposes of it.
- (6) Except as otherwise provided in this Guarantee, any reference to this Guarantee, any Credit Document or any Guarantor Security Document refers to this Guarantee or such Credit Document or Guarantor Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Guarantee, any reference in this Guarantee to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (7) All references in this Guarantee to dollars, unless otherwise specifically indicated, are expressed in currency of Canada.

ARTICLE 2 GUARANTEE

Section 2.1 Guarantee

The Guarantor irrevocably and unconditionally guarantees to the Collateral Agent and the Secured Parties the due and punctual payment, and the due performance, whether at stated maturity, by acceleration or otherwise, of the Obligations. The Guarantor agrees that the Obligations will be paid to the Collateral Agent and the Secured Parties strictly in accordance with their terms and conditions.

Section 2.2 Indemnity

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Collateral Agent and the Secured Parties from and against all losses resulting from the failure of the Borrower to duly perform such Obligations.

Section 2.3 Primary Obligation

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 or the Collateral Agent and the Secured Parties are not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

Section 2.4 Absolute Liability

The Guarantor agrees that the liability of the Guarantor under Section 2.1 and Section 2.3 and, for greater certainty, under Section 2.2, is absolute and unconditional irrespective of:

- (a) the lack of validity or enforceability of any terms of any of the Credit Documents;
- (b) any contest by the Borrower or any other Person as to the amount of the Obligations, the validity or enforceability of any terms of the Credit Documents or the perfection or priority of any security granted to the Collateral Agent or the Secured Parties;
- (c) any defence, counter claim or right of set-off available to the Borrower;
- (d) any release, compounding or other variance of the liability of the Borrower or any other Person liable in any manner under or in respect of the Obligations or the extinguishment of all or any part of the Obligations by operation of law;
- (e) any change in the time or times for, or place or manner or terms of payment or performance of the Obligations or any consent, waiver, renewal, alteration, extension, compromise, arrangement, concession, release, discharge or other indulgences which the Collateral Agent or the Secured Parties may grant to the Borrower or any other Person;
- (f) any amendment or supplement to, or alteration or renewal of, or restatement, replacement, refinancing or modification or variation of (including any increase in the amounts available thereunder or the inclusion of an additional borrower thereunder), or other action or inaction under, the Loan Agreement, the other Credit Documents or any other related document or instrument, or the Obligations;
- (g) any discontinuance, termination, reduction, renewal, increase, abstention from renewing or other variation of any credit or credit facilities to, or the terms or conditions of any transaction with, the Borrower or any other Person;

- (h) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Borrower, the Guarantor or any other Credit Party or any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower, the Guarantor or any other Credit Party or their respective businesses;
- (i) any dealings with the security which the Collateral Agent or the Secured Parties hold or may hold pursuant to the terms and conditions of the Credit Documents, including the taking, giving up or exchange of securities, their variation or realization, the accepting of compositions and the granting of releases and discharges;
- (j) any limitation of status or power, disability, incapacity or other circumstance relating to the Borrower, the Guarantor, any other Credit Party or any other Person, including any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, winding-up or other like proceeding involving or affecting the Borrower, the Guarantor, any other Credit Party or any other Person or any action taken with respect to this Guarantee by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor shall have notice or knowledge of any of the foregoing;
- (k) the assignment of all or any part of the benefits of this Guarantee;
- (l) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any Credit Document, or the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of (i) any governmental entity that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Obligations or the obligations of the Guarantor under this Guarantee, or (ii) any court order that amends, varies, reduces or otherwise affects any of the Obligations;
- (m) any taking or failure to take security, any loss of, or loss of value of, any security, or any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties, or any exercise or enforcement of, or failure to exercise or enforce, security, or irregularity or defect in the manner or procedure by which the Collateral Agent and the Secured Parties realize on such security;
- (n) any application of any sums received to the Obligations, or any part thereof, and any change in such application; and
- (o) any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Obligations or this Guarantee.

ARTICLE 3 ENFORCEMENT

Section 3.1 Remedies

The Collateral Agent and the Secured Parties are not bound to exhaust their recourse against the Borrower or any other Person or realize on any security it may hold in respect of the Obligations before being entitled to (i) enforce payment and performance under this Guarantee or (ii) pursue any other remedy against the Guarantor, and the Guarantor renounces all benefits of discussion and division.

Section 3.2 Amount of Obligations

Any account settled or stated by or between the Collateral Agent and the Borrower, or if any such account has not been settled or stated immediately before demand for payment under this Guarantee, any

account stated by the Collateral Agent shall, in the absence of manifest mathematical error, be accepted by the Guarantor as conclusive evidence of the amount of the Obligations which is due by the Borrower to the Collateral Agent and the Secured Parties or remains unpaid by the Borrower to the Collateral Agent and the Secured Parties.

Section 3.3 Payment on Demand

The Guarantor will pay and perform the Obligations and pay all other amounts payable by it to the Collateral Agent or the Secured Parties under this Guarantee, and the obligation to do so arises, immediately after demand for such payment or performance is made in writing to it. The liability of the Guarantor bears interest from the date of such demand at the rate or rates of interest then applicable to the Obligations under and calculated in the manner provided in the Credit Documents (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).

Section 3.4 Costs and Expenses

The Guarantor is liable for and will pay on demand by the Collateral Agent any and all expenses, costs and charges incurred by or on behalf of the Collateral Agent and the Secured Parties in connection with this Guarantee, including all legal fees, courts costs, receivers or agent's remuneration and other expenses in connection with enforcing any of their rights under this Guarantee.

Section 3.5 Assignment and Postponement

- (1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever and all security therefor (the "**Intercorporate Indebtedness**") are assigned and transferred to the Collateral Agent as continuing and collateral security for the Guarantor's obligations under this Guarantee and postponed to the payment in full of all Obligations. Until the occurrence of an Event of Default that is continuing the Guarantor may receive payments in respect of the Intercorporate Indebtedness as permitted under the Loan Agreement. The Guarantor will not assign all or any part of the Intercorporate Indebtedness to any Person other than the Collateral Agent or the Secured Parties.
- (2) Following the occurrence of an Event of Default that is continuing, all Intercorporate Indebtedness will be held in trust for the Collateral Agent and the Secured Parties and will be collected, enforced or proved subject to, and for the purpose of, this Guarantee. In such event, any payments received by the Guarantor in respect of the Intercorporate Indebtedness will be held in trust for the Collateral Agent and the Secured Parties and segregated from other funds and property held by the Guarantor and immediately paid to the Collateral Agent on account of the Obligations.
- (3) The Intercorporate Indebtedness shall not be released or withdrawn by the Guarantor without the prior written consent of the Collateral Agent. The Guarantor will not allow a limitation period to expire on the Intercorporate Indebtedness or ask for or obtain any security or negotiable paper for, or other evidence of, the Intercorporate Indebtedness except for the purpose of delivering the same to the Collateral Agent.
- (4) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Borrower or its debts, the Guarantor will, upon the request of the Collateral Agent, make and present a proof of claim or commence such other proceedings against the Borrower on account of the Intercorporate Indebtedness as may be reasonably necessary to establish the Guarantor's entitlement to payment of any Intercorporate Indebtedness. Such proof of claim or other proceeding must be made or commenced prior to the earlier of (i) the day which is 30 days after notice requesting such action is delivered by or on behalf of the Collateral Agent to the Guarantor and (ii) the day which is 10 days preceding the date when such proof of claim or other proceeding is required by applicable law to be made or commenced. Such proof of claim or other proceeding must be in form and substance acceptable to the Collateral Agent.

- (5) If the Guarantor fails to make and file such proof of claim or commence such other proceeding in accordance with this Section, the Collateral Agent is irrevocably authorized, empowered and directed and appointed the true and lawful attorney of the Guarantor (but is not obliged) with the power to exercise for and on behalf of the Guarantor the following rights, upon the occurrence and during the continuance of an Event of Default: (i) to make and present for and on behalf of the Guarantor proofs of claims or other such proceedings against the Borrower on account of the Intercompany Indebtedness, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Intercompany Indebtedness in whatever form the same may be paid or issued and to apply the same on account of the Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in its own name or in the name of the Guarantor or otherwise, as the Collateral Agent may deem necessary or advisable to enforce its rights under this Guarantee.
- (6) The Guarantor will execute all subordinations, postponements, assignments and other agreements as the Collateral Agent may reasonably request to more effectively subordinate and postpone the Intercompany Indebtedness to the payment and performance of the Obligations.
- (7) The provisions of this Section 3.5 survive the termination of this Guarantee and remain in full force and effect until (i) the Obligations and all other amounts owing under the Credit Documents are repaid in full; and (ii) the Collateral Agent and the Secured Parties have no further obligations under any of the Credit Documents.

Section 3.6 Suspension of Guarantor Rights

So long as there are any Obligations, the Guarantor will not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by the Borrower, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of the Borrower, or (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Collateral Agent or the Secured Parties under any of the Credit Documents. The Guarantor hereby agrees in favour of the Borrower, the other guarantors, the Collateral Agent and the Secured Parties, that any such rights of indemnification, contribution, or subrogation terminate in the event of a sale, foreclosure or other disposition of any of the equity securities of the Borrower, the Guarantor or any other Credit Party in connection with an exercise of rights and remedies by the Collateral Agent and the Secured Parties. The Guarantor further agrees that the Borrower and other guarantors of the debts, liabilities and obligations of the Borrower are intended third party beneficiaries of the Guarantor's agreement contained in this Section 3.6.

Section 3.7 No Prejudice to Collateral Agent or the Secured Parties

The Collateral Agent and the Secured Parties are not prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower, the Collateral Agent or the Secured Parties. The Collateral Agent and the Secured Parties may, at any time and from time to time, in such manner it determines is expedient, without any consent of, or notice to, the Guarantor and without impairing or releasing the obligations of the Guarantor (i) change the manner, place, time or terms of payment or performance of the Obligations, (ii) renew or alter the Obligations, (iii) amend, vary, modify, supplement or replace any Credit Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, the Borrower or any other Person, (v) release, compound or vary the liability of the Borrower or any other Person liable in any manner under or in respect of the Obligations, (vi) take or abstain from taking securities or collateral from any other Person, or from perfecting securities or collateral of any other Person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Borrower, the Guarantor or any other Person, (viii) accept compromises or arrangement from any Person, (ix) apply any sums from time to time received to the Obligations, or any part thereof, and change any such application in whole or in part from time to time, (x) otherwise deal with, or waiver or modify their right to deal with, any Person and security. In their dealings with the

Borrower, the Collateral Agent and the Secured Parties need not enquire into the authority or power of any Person purporting to act for or on behalf of the Borrower.

Section 3.8 Rights of Subrogation

Any rights of subrogation acquired by the Guarantor by reason of payment under this Guarantee, and not terminated pursuant to Section 3.6, shall not be exercised until the Obligations and all other amounts due to the Collateral Agent and the Secured Parties have been paid or repaid in full and such rights of subrogation shall be no greater than the rights held by the Collateral Agent and the Secured Parties. In the event (i) of the liquidation, winding up or bankruptcy of the Borrower (whether voluntary or compulsory), (ii) that the Borrower makes a bulk sale of any of its assets within the provisions of any bulk sales legislation, or (iii) that the Borrower makes any composition with creditors or enters into any scheme of arrangement, the Collateral Agent and the Secured Parties have the right to rank in priority to the Guarantor for its full claims in respect of the Obligations and receive all dividends and other payments until its claims have been paid in full. The Guarantor will continue to be liable, less any payments made by it, for any balance which may be owing to the Collateral Agent or the Secured Parties by the Borrower. No valuation or retention of its security by the Collateral Agent or the Secured Parties shall, as between the Collateral Agent and the Secured Parties and the Guarantor, be considered as a purchase of such security or as payment or satisfaction or reduction of all or any part of the Obligations. If any amount is paid to the Guarantor at any time when all the Obligations and other amounts due to the Collateral Agent and the Secured Parties have not been paid in full, the amount will be held in trust for the benefit of the Collateral Agent and the Secured Parties and immediately paid to the Collateral Agent to be credited and applied to the Obligations, whether matured or unmatured. The Guarantor has no recourse against the Collateral Agent or the Secured Parties for any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties or any irregularity or defect in the manner or procedure by which the Collateral Agent or the Secured Parties realize on such security.

Section 3.9 No Set-off

To the fullest extent permitted by law, the Guarantor makes all payments under this Guarantee without regard to any defence, counter-claim or right of set-off available to it.

Section 3.10 Successors of the Borrower

This Guarantee will not be revoked by any change in the constitution of the Borrower. This Guarantee and the Guarantor Security Documents extend to any person, firm or corporation acquiring, or from time to time carrying on, the business of the Borrower.

Section 3.11 Continuing Guarantee and Continuing Obligations

The obligation of the Guarantor under Section 2.1 is a continuing guarantee, and the obligations of the Guarantor under Section 2.2 and Section 2.3 are continuing obligations. Each of Section 2.1, Section 2.2 and Section 2.3 extends to all present and future Obligations, applies to and secures the ultimate balance of the Obligations due or remaining due to the Collateral Agent and the Secured Parties and is binding as a continuing obligation of the Guarantor until the Collateral Agent and the Secured Parties release the Guarantor. This Guarantee will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Collateral Agent or the Secured Parties upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though the payment had not been made.

Section 3.12 Supplemental Security

This Guarantee is in addition and without prejudice to and supplemental to all other guarantees, indemnities, obligations and security now held or which may hereafter be held by the Collateral Agent or the Secured Parties.

Section 3.13 Security for Guarantee

The Guarantor acknowledges that this Guarantee is intended to secure payment and performance of the Obligations and that the payment and performance of the Obligations and the other obligations of the

Guarantor under this Guarantee are secured pursuant to the terms and provisions of the Guarantor Security Documents.

Section 3.14 Right of Set-off

Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent and each Secured Party are authorized by the Guarantor at any time and from time to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Collateral Agent or the Secured Parties to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing irrespective of whether or not (i) the Collateral Agent or the Secured Parties have made any demand under this Guarantee, or (ii) any of the obligations comprising the Obligations are contingent or unmatured. The Collateral Agent and the Secured Parties agree promptly to notify the Guarantor after any such set-off and application made by the Collateral Agent provided that the failure to give notice shall not affect the validity of the set-off and application. The rights of the Collateral Agent and the Secured Parties under this Section 3.14 are in addition and without prejudice to and supplemental to other rights and remedies which the Collateral Agent and the Secured Parties may have.

Section 3.15 *Interest Act (Canada)*

The Guarantor acknowledges that certain of the rates of interest applicable to the Obligations may be computed on the basis of a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be and paid for the actual number of days elapsed. For purposes of the *Interest Act (Canada)*, whenever any interest is calculated using a rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by 360 or 365 (or such other period that is less than a calendar year), as the case may be.

Section 3.16 Taxes

- (1) All payments to the Collateral Agent and the Secured Parties by the Guarantor under this Guarantee or under any of the Guarantor Security Documents will be made free and clear of and without deduction or withholding for any and all Taxes, unless such Taxes are required by applicable law to be deducted or withheld. If the Guarantor is required by applicable law to deduct or withhold any such Taxes from or in respect of any amount payable under this Guarantee or under any of the Guarantor Security Documents (i) the amount payable shall be increased (and for greater certainty, in the case of interest, the amount of interest shall be increased) as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 3.16), the Collateral Agent and the Secured Parties receive an amount equal to the amount it would have received if no such deduction or withholding had been made, (ii) the Guarantor will make such deductions or withholdings, and (iii) the Guarantor will immediately pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.
- (2) The Guarantor agrees to immediately pay any Other Taxes.
- (3) The Guarantor will indemnify the Collateral Agent and the Secured Parties for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable by the Guarantor under this Section 3.16) paid by the Collateral Agent or the Secured Parties and any liability (including penalties, interest and expenses) arising from or with respect to such Taxes and Other Taxes, whether or not they were correctly or legally asserted. Payment under this indemnification will be made within 30 days from the date the Collateral Agent makes written demand for it. A certificate as to the amount of such Taxes and Other Taxes submitted to the Guarantor by the Collateral Agent is conclusive evidence, absent

manifest error, of the amount due from the Guarantor to the Collateral Agent or any Secured Party, as the case may be.

- (4) The Guarantor will furnish to the Collateral Agent and the Secured Parties the original or a certified copy of a receipt evidencing payment of any Taxes or Other Taxes made by the Guarantor within 30 days after the date of any payment of such Taxes or Other Taxes.
- (5) The provisions of this Section 3.16 survive the termination of this Guarantee.

Section 3.17 Judgment Currency

- (1) If for the purposes of obtaining judgment in any court it is necessary to convert all or any part of the Obligations or any other amount due to the Collateral Agent or any Secured Party in respect of the Guarantor's obligations under this Guarantee in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the Guarantor, to the fullest extent that it may effectively do so, agrees that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Collateral Agent could purchase the Original Currency with the Other Currency on the Business Day preceding that on which final judgment is paid or satisfied.
- (2) The obligations of the Guarantor in respect of any sum due in the Original Currency from it to the Collateral Agent shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Collateral Agent, of any sum adjudged to be so due in such Other Currency the Collateral Agent may, in accordance with its normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Collateral Agent in the Original Currency, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Collateral Agent against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to the Collateral Agent in the Original Currency, the Collateral Agent agrees to remit such excess to the Guarantor.

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 Representations and Warranties

The Guarantor represents and warrants, acknowledging and confirming that that the Collateral Agent and each Secured Party are relying on such representations and warranties in connection with the acceptance of this Guarantee, that:

- (a) **Incorporation and Qualification.** The Guarantor is a corporation incorporated and existing under the laws of its jurisdiction of incorporation.
- (b) **Corporate Power.** The Guarantor has the corporate power to (i) own, lease and operate its properties and assets and carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under the Credit Documents to which it is a party.
- (c) **Conflict With Other Instruments.** The execution and delivery by the Guarantor and the performance by it under, and compliance with the terms, conditions and provisions of, the Credit Documents to which it is a party:
 - (i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its constating documents or by-laws;

- (ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any contracts, leases or instruments to which it is a party or pursuant to which any of its assets or property may be affected; and
 - (iii) do not and will not result in the violation of any law, regulation or rule or any judgment, injunction, order, writ, decision, ruling or award which is binding on it.
- (d) **Execution and Binding Obligation.** This Guarantee and the other Credit Documents to which it is a party have been duly executed and delivered by the Guarantor and constitute legal, valid and binding agreements of it enforceable against it in accordance with their respective terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (e) **Loan Agreement Representations.** Each representation and warranty made by the Borrower under section 5.1 of the Loan Agreement, to the extent it pertains to any of the Guarantor or its subsidiaries, the business of the Guarantor or its subsidiaries and the Credit Documents to which the Guarantor or any of its subsidiaries is a party, is true, accurate and complete in all respects.

Section 4.2 Loan Agreement Covenants

Until the Obligations and all other amounts owing under this Guarantee are paid or repaid in full, the Obligations are performed in full and the Collateral Agent and the Secured Parties have no obligations under the Credit Documents, the Guarantor covenants and agrees that it will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Article 6 of the Loan Agreement, and so that no Default or Event of Default, is caused by the actions of the Guarantor or any of its subsidiaries.

ARTICLE 5 GENERAL

Section 5.1 Notices, etc.

Any notice, direction or other communication (each a "**Notice**") given regarding the matters contemplated by this Guarantee must be in writing, sent by personal delivery, courier or facsimile (but not by electronic mail) and addressed to each Person at the addresses contemplated in the Loan Agreement.

A Notice is deemed to be delivered and received (i) if sent by personal delivery, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day service courier, on the date of delivery if sent on a Business Day and delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (iii) if sent by overnight courier, on the next Business Day, or (iv) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile. A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed.

Section 5.2 No Merger, Survival of Representations and Warranties

The representations, warranties and covenants of the Guarantor in this Guarantee survive the execution and delivery of this Guarantee and each advance under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent or the Secured Parties, the representations, warranties and covenants in this Guarantee continue in full force and effect.

Section 5.3 Further Assurances

- (1) The Guarantor will do all acts and things and execute and deliver, or cause to be executed and delivered, all documents and instruments that the Collateral Agent may request to give full effect to this Guarantee and to perfect and preserve the rights and powers of the Collateral Agent and the Secured Parties under this Guarantee, including any acknowledgements and confirmations of this Guarantee and the Guarantor Security Documents.
- (2) The Guarantor acknowledges and confirms that the Guarantor itself has established its own adequate means of obtaining from the Borrower on a continuing basis all information desired by the Guarantor concerning the financial condition of the Borrower and that the Guarantor will look to the Borrower and not to the Collateral Agent or the Secured Parties, in order for the Guarantor to keep adequately informed of changes in the Borrower's financial condition.

Section 5.4 Successors and Assigns

This Guarantee is binding upon the Guarantor, its successors and assigns, and enures to the benefit of the Collateral Agent, the Secured Parties and their respective successors and assigns. This Guarantee may be assigned by the Collateral Agent without the consent of, or notice to, the Guarantor, to such Person as the Collateral Agent may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Collateral Agent as set forth in this Guarantee or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Guarantor will not assert against the assignee any claim or defence which the Guarantor now has or may have against the Collateral Agent or any Secured Party. The Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Collateral Agent which may be unreasonably withheld.

Section 5.5 Amendment

This Guarantee may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent and the Guarantor.

Section 5.6 Waivers, etc.

- (1) No consent or waiver by the Collateral Agent or the Secured Parties in respect of this Guarantee is binding unless made in writing and signed by an authorized officer of the Collateral Agent. Any consent or waiver given under this Guarantee is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Guarantee constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Collateral Agent or the Secured Parties in exercising a right under this Guarantee does not operate as a waiver of, or impair, any right of the Collateral Agent or the Secured Parties however arising. A single or partial exercise of a right on the part of the Collateral Agent or the Secured Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent or the Secured Parties.

Section 5.7 Severability

If any court of competent jurisdiction from which no appeal exists or is taken, determines that any provision of this Guarantee is illegal, invalid or unenforceable, that provision will be severed from this Guarantee and the remaining provisions will remain in full force and effect.

Section 5.8 Collateral Agent

By accepting the benefits of this Guarantee, the Collateral Agent and the Secured Parties agree that this Guarantee may be enforced only by the action of the Collateral Agent and that no Secured Party shall have any right individually to seek to enforce this Guarantee or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent for the benefit of the Secured Parties upon the terms of the Loan Agreement.

Section 5.9 Application of Proceeds

All monies collected by the Collateral Agent under this Guarantee will be applied as provided in the Loan Agreement. To the extent any other Credit Document requires proceeds of collateral under such Credit Document to be applied in accordance with the provisions of this Guarantee, the Collateral Agent or holder under such other Credit Document shall apply such proceeds in accordance with this Section.

Section 5.10 Conflict

In the event of any conflict between the provisions of this Guarantee and the provisions of the Loan Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Loan Agreement will prevail to the extent of such conflict.

Section 5.11 Limitation Act

Notwithstanding the provisions of the *Limitations Act* (Alberta), a claim may be brought on this Guarantee at any time within 6 years from the date on which demand for payment of the Obligations is made to the Guarantor in accordance with the terms of this Guarantee.

Section 5.12 Governing Law

- (1) This Guarantee will be governed by, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (2) The Guarantor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Guarantee and the other Credit Documents to which it is a party. The Guarantor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Guarantor in the courts of any other jurisdiction.
- (3) The Guarantor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Guarantor at the address set forth in Section 5.1(a). Nothing in this Section affects the right of the Collateral Agent to serve process in any manner permitted by law.

Section 5.13 Electronic Execution and Counterparts

This Guarantee may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Guarantee.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Guarantor has executed this Guarantee as of the date first written above.

**GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD.**

By: 

Name: Elliott Choquette
Title: President

SCHEDULE "A"
GUARANTOR SECURITY DOCUMENTS

Fixed and floating charge debenture dated as of the date hereof made by the Guarantor to and in favour of the Collateral Agent, for the benefit of the Secured Parties.

Securities pledge agreement dated as of the date hereof made by the Guarantor to and in favour of the Collateral Agent, for the benefit of the Secured Parties.

FIRST AMENDING AGREEMENT (GUARANTEE)

The first amending agreement (this **"First Amending Agreement"**) dated August 31, 2022 among Griffon Partners Capital Management Ltd., as Guarantor (as defined below), and GLAS Americas LLC, as Collateral Agent (as defined below).

RECITALS:

- (a) Griffon Partners Capital Management Ltd. (the **"Guarantor"**) and GLAS Americas LLC, as collateral agent for the benefit of the Secured Parties (the **"Collateral Agent"**), are parties to a guarantee dated July 21, 2022 (the **"Original Agreement"**);
- (b) The parties to the Loan Agreement have amended the Loan Agreement pursuant to a first amending agreement among all of the parties to the Loan Agreement effective as of the date hereof (the **"Loan Amendment"**) in order to provide that the Original Agreement, as amended hereby, shall constitute a Shared Security Document (as defined in the Loan Agreement) and shall secure the Secured Obligations (as defined in the Loan Agreement) under the Loan Agreement; and
- (c) To give effect to the Original Agreement being a Shared Security Document, the Guarantor and the Collateral Agent have agreed to make the amendments set forth in this First Amending Agreement.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

Section 1 Defined Terms

Capitalized terms used in this First Amending Agreement and not otherwise defined have the meanings specified in the Original Agreement.

Section 2 Headings

Section headings in this First Amending Agreement are included for convenience of reference only and shall not constitute a part of this First Amending Agreement for any other purpose.

Section 3 Amendments to the Original Agreement

Upon this First Amending Agreement becoming effective, the Original Agreement is hereby amended as follows:

- (a) the definition of Obligations in Section 1.1 is hereby deleted and replaced with the following:

 "Obligations" means the Secured Obligations of the other Credit Parties."; and
- (b) the definition of Secured Parties in Section 1.1 is hereby deleted and replaced with the following:

 "Secured Parties" has the meaning set forth in the Loan Agreement."

Section 4 Acknowledgement and Reference to and Effect on the Original Agreement

- (1) All references to the Loan Agreement in the Original Agreement, as amended by this First Amending Agreement, shall for certainty be to the Loan Agreement as amended by the Loan Amendment.
- (2) Upon this First Amending Agreement becoming effective, each reference in the Original Agreement to "this Agreement" and each reference to the Original Agreement in the other Credit Documents and any and all other agreements, documents and instruments delivered by any of the Lenders, the Administrative Agent, the Collateral Agent, the Borrower and the other Credit Parties or any other Person shall mean and be a reference to the Original Agreement as amended by this First Amending Agreement. Except as specifically amended by this First Amending Agreement, the Original Agreement shall remain in full force and effect.
- (3) Except to the extent expressly set forth herein, (a) the execution, delivery and effectiveness of this First Amending Agreement and any consents and waivers set forth herein shall not directly or indirectly (i) constitute a consent or waiver of any past, present or future violations of any provisions of the Original Agreement or any other Credit Document; (ii) amend, modify or operate as a waiver of any provision of the Original Agreement or any other Credit Document or any right, power or remedy of the Administrative Agent, the Collateral Agent or any Lender thereunder; or (iii) constitute a course of dealing or other basis for altering any obligations or any other contract or instrument; and (b) the Secured Parties reserve all of their rights, powers and remedies under the Original Agreement, the other Credit Documents and Applicable Law.

Section 5 Confirmation

The Guarantor agrees with and confirms to the Collateral Agent and the Secured Parties that as of the date hereof, the Original Agreement is and shall remain in full force and effect in all respects and the Original Agreement as amended hereby shall continue to exist and apply to all of the Obligations (as defined in the Original Agreement as amended hereby) and that the Original Agreement as amended hereby shall hereafter irrevocably and unconditionally guarantee all of the Obligations (as defined in the Original Agreement as amended hereby); and for greater certainty, the Guarantor hereby irrevocably and unconditionally guarantees all of the Obligations (as defined in the Original Agreement as amended hereby). This confirmation of guarantee and security is in addition to and shall not limit, derogate from or otherwise affect any provisions of the Original Agreement.

Section 6 Effectiveness

This First Amending Agreement shall become effective upon duly executed signature pages for this First Amending Agreement signed by the Guarantor shall have been delivered to the Collateral Agent, and the Collateral Agent shall have duly executed this First Amending Agreement.

Section 7 Governing Law

This First Amending Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Section 8 Electronic Execution

This First Amending Agreement may be signed by way of associating or otherwise appending an electronic signature or other facsimile signature of the applicable signatory and the words "execution",

"signed", "signature", and words of like import in this First Amending Agreement shall be deemed to include electronic signatures or other facsimile signature, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for by any law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

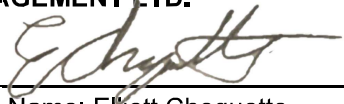
Section 9 Counterparts

This First Amending Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party may execute this First Amending Agreement by signing any counterpart.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF the parties have executed this First Amending Agreement.

**GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD.**

By: 
Name: Elliott Choquette
Title: President

GLAS AMERICAS LLC


By: _____
Name:
Title:

IN WITNESS WHEREOF the parties have executed this First Amending Agreement.

**GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD.**

By: _____
Name:
Title:

GLAS AMERICAS LLC

By:  _____
Name: Yana Kislenko
Title: Vice President

GRIFFON PARTNERS HOLDING CORP.

as Guarantor

and

GLAS AMERICAS LLC

as Collateral Agent

GUARANTEE

July 21, 2022

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION

Section 1.1	Defined Terms	1
Section 1.2	Interpretation	2

ARTICLE 2 GUARANTEE

Section 2.1	Guarantee	3
Section 2.2	Indemnity	3
Section 2.3	Primary Obligation	3
Section 2.4	Absolute Liability	3

ARTICLE 3 ENFORCEMENT

Section 3.1	Remedies	4
Section 3.2	Amount of Obligations	4
Section 3.3	Payment on Demand	5
Section 3.4	Costs and Expenses	5
Section 3.5	Assignment and Postponement	5
Section 3.6	Suspension of Guarantor Rights	6
Section 3.7	No Prejudice to Collateral Agent or the Secured Parties	6
Section 3.8	Rights of Subrogation	7
Section 3.9	No Set-off	7
Section 3.10	Successors of the Borrower	7
Section 3.11	Continuing Guarantee and Continuing Obligations	7
Section 3.12	Supplemental Security	7
Section 3.13	Security for Guarantee	7
Section 3.14	Right of Set-off	8
Section 3.15	<i>Interest Act</i> (Canada)	8
Section 3.16	Taxes	8
Section 3.17	Judgment Currency	9

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1	Representations and Warranties	9
Section 4.2	Loan Agreement Covenants	10

ARTICLE 5 GENERAL

Section 5.1	Notices, etc.	10
Section 5.2	No Merger, Survival of Representations and Warranties	11
Section 5.3	Further Assurances	11
Section 5.4	Successors and Assigns	11
Section 5.5	Amendment	11
Section 5.6	Waivers, etc.	11
Section 5.7	Severability	11
Section 5.8	Collateral Agent	12
Section 5.9	Application of Proceeds	12
Section 5.10	Conflict	12

Section 5.11	<i>Limitation Act</i>	12
Section 5.12	Governing Law	12
Section 5.13	Electronic Execution and Counterparts.....	12

SCHEDULES

SCHEDULE “A” GUARANTOR SECURITY DOCUMENTS

GUARANTEE

Guarantee dated as of July 21, 2022 made by Griffon Partners Holding Corp. to and in favour of GLAS Americas LLC, as Collateral Agent, and the Secured Parties.

RECITALS:

- (a) The Lenders have agreed to make certain credit facilities available to the Borrower on the terms and conditions contained in the Loan Agreement;
- (b) It is a condition precedent to the extension of credit to the Borrower under the Loan Agreement that the Guarantor execute and deliver this Guarantee to the Collateral Agent, for the benefit of the Secured Parties; and
- (c) The Guarantor is the direct parent of the Borrower and due to the close business and financial relationships between the Guarantor, the Borrower and the other affiliates party to the transactions contemplated by the Loan Agreement, the Guarantor will derive substantial direct and indirect benefits from such transactions and therefore the Guarantor considers it in its best interest to provide this Guarantee.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Guarantor agrees as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms

As used in this Guarantee the following terms have the following meanings:

"Administrative Agent" means GLAS USA LLC and its successors and assigns.

"Borrower" means Griffon Partners Operation Corp., a corporation incorporated and existing under the law of Alberta, and its successors and permitted assigns.

"Collateral Agent" means GLAS Americas LLC and its successors and assigns.

"Guarantee" means this guarantee.

"Guarantor" means Griffon Partners Holding Corp., a corporation incorporated and existing under the laws of Alberta, and its successors and permitted assigns.

"Guarantor Security Documents" means the agreements described in Schedule "A" and any other security held by the Collateral Agent, from time to time for the Guarantor's obligations under this Guarantee.

"Lenders" means Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders under the Loan Agreement and their respective successors and permitted assigns.

"Loan Agreement" means the loan agreement dated as of the date hereof among the Borrower, as borrower, Griffon Partners Capital Management Ltd. and the Guarantor, as guarantors, the Lenders, as lenders, the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending

the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Lenders, Administrative Agent or Collateral Agent.

"Obligations" means the Secured Obligations (as defined in the Loan Agreement) of the other Credit Parties.

"Other Taxes" means present and future stamp and documentary taxes and any other excise and property taxes, charges, financial institutions duties, debits taxes and similar levies which arise from any payment made by the Guarantor under this Guarantee or under any of the Guarantor Security Documents or from the execution, delivery or registration of, or otherwise with respect to, this Guarantee or any of the Guarantor Security Documents, in each case, including any interest, additions to tax or penalties applicable thereto.

"Secured Parties" has the meaning given to it in the Loan Agreement.

"Taxes" means all taxes, levies, imposts, deductions, charges or withholdings and all related liabilities imposed by any country (or any political subdivision or taxing authority of it), including any interest, additions to tax or penalties applicable thereto.

Section 1.2 Interpretation

- (1) Capitalized terms used in this Guarantee but not defined have the meanings given to them in the Loan Agreement.
- (2) In this Guarantee the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. The phrase **"the aggregate of"**, **"the total of"**, **"the sum of"**, or a phrase of similar meaning means **"the aggregate (or total or sum), without duplication, of"**. The expression **"Article"**, **"Section"** or other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Guarantee.
- (3) Any reference in this Guarantee to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) The division of this Guarantee into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.
- (5) The schedules attached to this Guarantee form an integral part of it for all purposes of it.
- (6) Except as otherwise provided in this Guarantee, any reference to this Guarantee, any Credit Document or any Guarantor Security Document refers to this Guarantee or such Credit Document or Guarantor Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Guarantee, any reference in this Guarantee to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (7) All references in this Guarantee to dollars, unless otherwise specifically indicated, are expressed in currency of Canada.

ARTICLE 2 GUARANTEE

Section 2.1 Guarantee

The Guarantor irrevocably and unconditionally guarantees to the Collateral Agent and the Secured Parties the due and punctual payment, and the due performance, whether at stated maturity, by acceleration or otherwise, of the Obligations. The Guarantor agrees that the Obligations will be paid to the Collateral Agent and the Secured Parties strictly in accordance with their terms and conditions.

Section 2.2 Indemnity

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Collateral Agent and the Secured Parties from and against all losses resulting from the failure of the Borrower to duly perform such Obligations.

Section 2.3 Primary Obligation

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 or the Collateral Agent and the Secured Parties are not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

Section 2.4 Absolute Liability

The Guarantor agrees that the liability of the Guarantor under Section 2.1 and Section 2.3 and, for greater certainty, under Section 2.2, is absolute and unconditional irrespective of:

- (a) the lack of validity or enforceability of any terms of any of the Credit Documents;
- (b) any contest by the Borrower or any other Person as to the amount of the Obligations, the validity or enforceability of any terms of the Credit Documents or the perfection or priority of any security granted to the Collateral Agent or the Secured Parties;
- (c) any defence, counter claim or right of set-off available to the Borrower;
- (d) any release, compounding or other variance of the liability of the Borrower or any other Person liable in any manner under or in respect of the Obligations or the extinguishment of all or any part of the Obligations by operation of law;
- (e) any change in the time or times for, or place or manner or terms of payment or performance of the Obligations or any consent, waiver, renewal, alteration, extension, compromise, arrangement, concession, release, discharge or other indulgences which the Collateral Agent or the Secured Parties may grant to the Borrower or any other Person;
- (f) any amendment or supplement to, or alteration or renewal of, or restatement, replacement, refinancing or modification or variation of (including any increase in the amounts available thereunder or the inclusion of an additional borrower thereunder), or other action or inaction under, the Loan Agreement, the other Credit Documents or any other related document or instrument, or the Obligations;
- (g) any discontinuance, termination, reduction, renewal, increase, abstention from renewing or other variation of any credit or credit facilities to, or the terms or conditions of any transaction with, the Borrower or any other Person;

- (h) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Borrower, the Guarantor or any other Credit Party or any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower, the Guarantor or any other Credit Party or their respective businesses;
- (i) any dealings with the security which the Collateral Agent or the Secured Parties hold or may hold pursuant to the terms and conditions of the Credit Documents, including the taking, giving up or exchange of securities, their variation or realization, the accepting of compositions and the granting of releases and discharges;
- (j) any limitation of status or power, disability, incapacity or other circumstance relating to the Borrower, the Guarantor, any other Credit Party or any other Person, including any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, winding-up or other like proceeding involving or affecting the Borrower, the Guarantor, any other Credit Party or any other Person or any action taken with respect to this Guarantee by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor shall have notice or knowledge of any of the foregoing;
- (k) the assignment of all or any part of the benefits of this Guarantee;
- (l) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any Credit Document, or the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of (i) any governmental entity that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Obligations or the obligations of the Guarantor under this Guarantee, or (ii) any court order that amends, varies, reduces or otherwise affects any of the Obligations;
- (m) any taking or failure to take security, any loss of, or loss of value of, any security, or any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties, or any exercise or enforcement of, or failure to exercise or enforce, security, or irregularity or defect in the manner or procedure by which the Collateral Agent and the Secured Parties realize on such security;
- (n) any application of any sums received to the Obligations, or any part thereof, and any change in such application; and
- (o) any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Obligations or this Guarantee.

ARTICLE 3 ENFORCEMENT

Section 3.1 Remedies

The Collateral Agent and the Secured Parties are not bound to exhaust their recourse against the Borrower or any other Person or realize on any security it may hold in respect of the Obligations before being entitled to (i) enforce payment and performance under this Guarantee or (ii) pursue any other remedy against the Guarantor, and the Guarantor renounces all benefits of discussion and division.

Section 3.2 Amount of Obligations

Any account settled or stated by or between the Collateral Agent and the Borrower, or if any such account has not been settled or stated immediately before demand for payment under this Guarantee, any

account stated by the Collateral Agent shall, in the absence of manifest mathematical error, be accepted by the Guarantor as conclusive evidence of the amount of the Obligations which is due by the Borrower to the Collateral Agent and the Secured Parties or remains unpaid by the Borrower to the Collateral Agent and the Secured Parties.

Section 3.3 Payment on Demand

The Guarantor will pay and perform the Obligations and pay all other amounts payable by it to the Collateral Agent or the Secured Parties under this Guarantee, and the obligation to do so arises, immediately after demand for such payment or performance is made in writing to it. The liability of the Guarantor bears interest from the date of such demand at the rate or rates of interest then applicable to the Obligations under and calculated in the manner provided in the Credit Documents (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).

Section 3.4 Costs and Expenses

The Guarantor is liable for and will pay on demand by the Collateral Agent any and all expenses, costs and charges incurred by or on behalf of the Collateral Agent and the Secured Parties in connection with this Guarantee, including all legal fees, courts costs, receivers or agent's remuneration and other expenses in connection with enforcing any of their rights under this Guarantee.

Section 3.5 Assignment and Postponement

- (1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever and all security therefor (the "**Intercorporate Indebtedness**") are assigned and transferred to the Collateral Agent as continuing and collateral security for the Guarantor's obligations under this Guarantee and postponed to the payment in full of all Obligations. Until the occurrence of an Event of Default that is continuing the Guarantor may receive payments in respect of the Intercorporate Indebtedness as permitted under the Loan Agreement. The Guarantor will not assign all or any part of the Intercorporate Indebtedness to any Person other than the Collateral Agent or the Secured Parties.
- (2) Following the occurrence of an Event of Default that is continuing, all Intercorporate Indebtedness will be held in trust for the Collateral Agent and the Secured Parties and will be collected, enforced or proved subject to, and for the purpose of, this Guarantee. In such event, any payments received by the Guarantor in respect of the Intercorporate Indebtedness will be held in trust for the Collateral Agent and the Secured Parties and segregated from other funds and property held by the Guarantor and immediately paid to the Collateral Agent on account of the Obligations.
- (3) The Intercorporate Indebtedness shall not be released or withdrawn by the Guarantor without the prior written consent of the Collateral Agent. The Guarantor will not allow a limitation period to expire on the Intercorporate Indebtedness or ask for or obtain any security or negotiable paper for, or other evidence of, the Intercorporate Indebtedness except for the purpose of delivering the same to the Collateral Agent.
- (4) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Borrower or its debts, the Guarantor will, upon the request of the Collateral Agent, make and present a proof of claim or commence such other proceedings against the Borrower on account of the Intercorporate Indebtedness as may be reasonably necessary to establish the Guarantor's entitlement to payment of any Intercorporate Indebtedness. Such proof of claim or other proceeding must be made or commenced prior to the earlier of (i) the day which is 30 days after notice requesting such action is delivered by or on behalf of the Collateral Agent to the Guarantor and (ii) the day which is 10 days preceding the date when such proof of claim or other proceeding is required by applicable law to be made or commenced. Such proof of claim or other proceeding must be in form and substance acceptable to the Collateral Agent.

- (5) If the Guarantor fails to make and file such proof of claim or commence such other proceeding in accordance with this Section, the Collateral Agent is irrevocably authorized, empowered and directed and appointed the true and lawful attorney of the Guarantor (but is not obliged) with the power to exercise for and on behalf of the Guarantor the following rights, upon the occurrence and during the continuance of an Event of Default: (i) to make and present for and on behalf of the Guarantor proofs of claims or other such proceedings against the Borrower on account of the Intercompany Indebtedness, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Intercompany Indebtedness in whatever form the same may be paid or issued and to apply the same on account of the Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in its own name or in the name of the Guarantor or otherwise, as the Collateral Agent may deem necessary or advisable to enforce its rights under this Guarantee.
- (6) The Guarantor will execute all subordinations, postponements, assignments and other agreements as the Collateral Agent may reasonably request to more effectively subordinate and postpone the Intercompany Indebtedness to the payment and performance of the Obligations.
- (7) The provisions of this Section 3.5 survive the termination of this Guarantee and remain in full force and effect until (i) the Obligations and all other amounts owing under the Credit Documents are repaid in full; and (ii) the Collateral Agent and the Secured Parties have no further obligations under any of the Credit Documents.

Section 3.6 Suspension of Guarantor Rights

So long as there are any Obligations, the Guarantor will not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by the Borrower, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of the Borrower, or (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Collateral Agent or the Secured Parties under any of the Credit Documents. The Guarantor hereby agrees in favour of the Borrower, the other guarantors, the Collateral Agent and the Secured Parties, that any such rights of indemnification, contribution, or subrogation terminate in the event of a sale, foreclosure or other disposition of any of the equity securities of the Borrower, the Guarantor or any other Credit Party in connection with an exercise of rights and remedies by the Collateral Agent and the Secured Parties. The Guarantor further agrees that the Borrower and other guarantors of the debts, liabilities and obligations of the Borrower are intended third party beneficiaries of the Guarantor's agreement contained in this Section 3.6.

Section 3.7 No Prejudice to Collateral Agent or the Secured Parties

The Collateral Agent and the Secured Parties are not prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower, the Collateral Agent or the Secured Parties. The Collateral Agent and the Secured Parties may, at any time and from time to time, in such manner it determines is expedient, without any consent of, or notice to, the Guarantor and without impairing or releasing the obligations of the Guarantor (i) change the manner, place, time or terms of payment or performance of the Obligations, (ii) renew or alter the Obligations, (iii) amend, vary, modify, supplement or replace any Credit Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, the Borrower or any other Person, (v) release, compound or vary the liability of the Borrower or any other Person liable in any manner under or in respect of the Obligations, (vi) take or abstain from taking securities or collateral from any other Person, or from perfecting securities or collateral of any other Person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Borrower, the Guarantor or any other Person, (viii) accept compromises or arrangement from any Person, (ix) apply any sums from time to time received to the Obligations, or any part thereof, and change any such application in whole or in part from time to time, (x) otherwise deal with, or waiver or modify their right to deal with, any Person and security. In their dealings with the

Borrower, the Collateral Agent and the Secured Parties need not enquire into the authority or power of any Person purporting to act for or on behalf of the Borrower.

Section 3.8 Rights of Subrogation

Any rights of subrogation acquired by the Guarantor by reason of payment under this Guarantee, and not terminated pursuant to Section 3.6, shall not be exercised until the Obligations and all other amounts due to the Collateral Agent and the Secured Parties have been paid or repaid in full and such rights of subrogation shall be no greater than the rights held by the Collateral Agent and the Secured Parties. In the event (i) of the liquidation, winding up or bankruptcy of the Borrower (whether voluntary or compulsory), (ii) that the Borrower makes a bulk sale of any of its assets within the provisions of any bulk sales legislation, or (iii) that the Borrower makes any composition with creditors or enters into any scheme of arrangement, the Collateral Agent and the Secured Parties have the right to rank in priority to the Guarantor for its full claims in respect of the Obligations and receive all dividends and other payments until its claims have been paid in full. The Guarantor will continue to be liable, less any payments made by it, for any balance which may be owing to the Collateral Agent or the Secured Parties by the Borrower. No valuation or retention of its security by the Collateral Agent or the Secured Parties shall, as between the Collateral Agent and the Secured Parties and the Guarantor, be considered as a purchase of such security or as payment or satisfaction or reduction of all or any part of the Obligations. If any amount is paid to the Guarantor at any time when all the Obligations and other amounts due to the Collateral Agent and the Secured Parties have not been paid in full, the amount will be held in trust for the benefit of the Collateral Agent and the Secured Parties and immediately paid to the Collateral Agent to be credited and applied to the Obligations, whether matured or unmatured. The Guarantor has no recourse against the Collateral Agent or the Secured Parties for any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties or any irregularity or defect in the manner or procedure by which the Collateral Agent or the Secured Parties realize on such security.

Section 3.9 No Set-off

To the fullest extent permitted by law, the Guarantor makes all payments under this Guarantee without regard to any defence, counter-claim or right of set-off available to it.

Section 3.10 Successors of the Borrower

This Guarantee will not be revoked by any change in the constitution of the Borrower. This Guarantee and the Guarantor Security Documents extend to any person, firm or corporation acquiring, or from time to time carrying on, the business of the Borrower.

Section 3.11 Continuing Guarantee and Continuing Obligations

The obligation of the Guarantor under Section 2.1 is a continuing guarantee, and the obligations of the Guarantor under Section 2.2 and Section 2.3 are continuing obligations. Each of Section 2.1, Section 2.2 and Section 2.3 extends to all present and future Obligations, applies to and secures the ultimate balance of the Obligations due or remaining due to the Collateral Agent and the Secured Parties and is binding as a continuing obligation of the Guarantor until the Collateral Agent and the Secured Parties release the Guarantor. This Guarantee will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Collateral Agent or the Secured Parties upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though the payment had not been made.

Section 3.12 Supplemental Security

This Guarantee is in addition and without prejudice to and supplemental to all other guarantees, indemnities, obligations and security now held or which may hereafter be held by the Collateral Agent or the Secured Parties.

Section 3.13 Security for Guarantee

The Guarantor acknowledges that this Guarantee is intended to secure payment and performance of the Obligations and that the payment and performance of the Obligations and the other obligations of the

Guarantor under this Guarantee are secured pursuant to the terms and provisions of the Guarantor Security Documents.

Section 3.14 Right of Set-off

Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent and each Secured Party are authorized by the Guarantor at any time and from time to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Collateral Agent or the Secured Parties to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing irrespective of whether or not (i) the Collateral Agent or the Secured Parties have made any demand under this Guarantee, or (ii) any of the obligations comprising the Obligations are contingent or unmatured. The Collateral Agent and the Secured Parties agree promptly to notify the Guarantor after any such set-off and application made by the Collateral Agent provided that the failure to give notice shall not affect the validity of the set-off and application. The rights of the Collateral Agent and the Secured Parties under this Section 3.14 are in addition and without prejudice to and supplemental to other rights and remedies which the Collateral Agent and the Secured Parties may have.

Section 3.15 *Interest Act (Canada)*

The Guarantor acknowledges that certain of the rates of interest applicable to the Obligations may be computed on the basis of a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be and paid for the actual number of days elapsed. For purposes of the *Interest Act (Canada)*, whenever any interest is calculated using a rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by 360 or 365 (or such other period that is less than a calendar year), as the case may be.

Section 3.16 Taxes

- (1) All payments to the Collateral Agent and the Secured Parties by the Guarantor under this Guarantee or under any of the Guarantor Security Documents will be made free and clear of and without deduction or withholding for any and all Taxes, unless such Taxes are required by applicable law to be deducted or withheld. If the Guarantor is required by applicable law to deduct or withhold any such Taxes from or in respect of any amount payable under this Guarantee or under any of the Guarantor Security Documents (i) the amount payable shall be increased (and for greater certainty, in the case of interest, the amount of interest shall be increased) as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 3.16), the Collateral Agent and the Secured Parties receive an amount equal to the amount it would have received if no such deduction or withholding had been made, (ii) the Guarantor will make such deductions or withholdings, and (iii) the Guarantor will immediately pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.
- (2) The Guarantor agrees to immediately pay any Other Taxes.
- (3) The Guarantor will indemnify the Collateral Agent and the Secured Parties for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable by the Guarantor under this Section 3.16) paid by the Collateral Agent or the Secured Parties and any liability (including penalties, interest and expenses) arising from or with respect to such Taxes and Other Taxes, whether or not they were correctly or legally asserted. Payment under this indemnification will be made within 30 days from the date the Collateral Agent makes written demand for it. A certificate as to the amount of such Taxes and Other Taxes submitted to the Guarantor by the Collateral Agent is conclusive evidence, absent

manifest error, of the amount due from the Guarantor to the Collateral Agent or any Secured Party, as the case may be.

- (4) The Guarantor will furnish to the Collateral Agent and the Secured Parties the original or a certified copy of a receipt evidencing payment of any Taxes or Other Taxes made by the Guarantor within 30 days after the date of any payment of such Taxes or Other Taxes.
- (5) The provisions of this Section 3.16 survive the termination of this Guarantee.

Section 3.17 Judgment Currency

- (1) If for the purposes of obtaining judgment in any court it is necessary to convert all or any part of the Obligations or any other amount due to the Collateral Agent or any Secured Party in respect of the Guarantor's obligations under this Guarantee in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the Guarantor, to the fullest extent that it may effectively do so, agrees that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Collateral Agent could purchase the Original Currency with the Other Currency on the Business Day preceding that on which final judgment is paid or satisfied.
- (2) The obligations of the Guarantor in respect of any sum due in the Original Currency from it to the Collateral Agent shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Collateral Agent, of any sum adjudged to be so due in such Other Currency the Collateral Agent may, in accordance with its normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Collateral Agent in the Original Currency, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Collateral Agent against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to the Collateral Agent in the Original Currency, the Collateral Agent agrees to remit such excess to the Guarantor.

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 Representations and Warranties

The Guarantor represents and warrants, acknowledging and confirming that that the Collateral Agent and each Secured Party are relying on such representations and warranties in connection with the acceptance of this Guarantee, that:

- (a) **Incorporation and Qualification.** The Guarantor is a corporation incorporated and existing under the laws of its jurisdiction of incorporation.
- (b) **Corporate Power.** The Guarantor has the corporate power to (i) own, lease and operate its properties and assets and carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under the Credit Documents to which it is a party.
- (c) **Conflict With Other Instruments.** The execution and delivery by the Guarantor and the performance by it under, and compliance with the terms, conditions and provisions of, the Credit Documents to which it is a party:
 - (i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its constating documents or by-laws;

- (ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any contracts, leases or instruments to which it is a party or pursuant to which any of its assets or property may be affected; and
 - (iii) do not and will not result in the violation of any law, regulation or rule or any judgment, injunction, order, writ, decision, ruling or award which is binding on it.
- (d) **Execution and Binding Obligation.** This Guarantee and the other Credit Documents to which it is a party have been duly executed and delivered by the Guarantor and constitute legal, valid and binding agreements of it enforceable against it in accordance with their respective terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (e) **Loan Agreement Representations.** Each representation and warranty made by the Borrower under section 5.1 of the Loan Agreement, to the extent it pertains to any of the Guarantor or its subsidiaries, the business of the Guarantor or its subsidiaries and the Credit Documents to which the Guarantor or any of its subsidiaries is a party, is true, accurate and complete in all respects.

Section 4.2 Loan Agreement Covenants

Until the Obligations and all other amounts owing under this Guarantee are paid or repaid in full, the Obligations are performed in full and the Collateral Agent and the Secured Parties have no obligations under the Credit Documents, the Guarantor covenants and agrees that it will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Article 6 of the Loan Agreement, and so that no Default or Event of Default, is caused by the actions of the Guarantor or any of its subsidiaries.

ARTICLE 5 GENERAL

Section 5.1 Notices, etc.

Any notice, direction or other communication (each a "**Notice**") given regarding the matters contemplated by this Guarantee must be in writing, sent by personal delivery, courier or facsimile (but not by electronic mail) and addressed to each Person at the addresses contemplated in the Loan Agreement.

A Notice is deemed to be delivered and received (i) if sent by personal delivery, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day service courier, on the date of delivery if sent on a Business Day and delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (iii) if sent by overnight courier, on the next Business Day, or (iv) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile. A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed.

Section 5.2 No Merger, Survival of Representations and Warranties

The representations, warranties and covenants of the Guarantor in this Guarantee survive the execution and delivery of this Guarantee and each advance under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent or the Secured Parties, the representations, warranties and covenants in this Guarantee continue in full force and effect.

Section 5.3 Further Assurances

- (1) The Guarantor will do all acts and things and execute and deliver, or cause to be executed and delivered, all documents and instruments that the Collateral Agent may request to give full effect to this Guarantee and to perfect and preserve the rights and powers of the Collateral Agent and the Secured Parties under this Guarantee, including any acknowledgements and confirmations of this Guarantee and the Guarantor Security Documents.
- (2) The Guarantor acknowledges and confirms that the Guarantor itself has established its own adequate means of obtaining from the Borrower on a continuing basis all information desired by the Guarantor concerning the financial condition of the Borrower and that the Guarantor will look to the Borrower and not to the Collateral Agent or the Secured Parties, in order for the Guarantor to keep adequately informed of changes in the Borrower's financial condition.

Section 5.4 Successors and Assigns

This Guarantee is binding upon the Guarantor, its successors and assigns, and enures to the benefit of the Collateral Agent, the Secured Parties and their respective successors and assigns. This Guarantee may be assigned by the Collateral Agent without the consent of, or notice to, the Guarantor, to such Person as the Collateral Agent may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Collateral Agent as set forth in this Guarantee or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Guarantor will not assert against the assignee any claim or defence which the Guarantor now has or may have against the Collateral Agent or any Secured Party. The Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Collateral Agent which may be unreasonably withheld.

Section 5.5 Amendment

This Guarantee may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent and the Guarantor.

Section 5.6 Waivers, etc.

- (1) No consent or waiver by the Collateral Agent or the Secured Parties in respect of this Guarantee is binding unless made in writing and signed by an authorized officer of the Collateral Agent. Any consent or waiver given under this Guarantee is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Guarantee constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Collateral Agent or the Secured Parties in exercising a right under this Guarantee does not operate as a waiver of, or impair, any right of the Collateral Agent or the Secured Parties however arising. A single or partial exercise of a right on the part of the Collateral Agent or the Secured Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent or the Secured Parties.

Section 5.7 Severability

If any court of competent jurisdiction from which no appeal exists or is taken, determines that any provision of this Guarantee is illegal, invalid or unenforceable, that provision will be severed from this Guarantee and the remaining provisions will remain in full force and effect.

Section 5.8 Collateral Agent

By accepting the benefits of this Guarantee, the Collateral Agent and the Secured Parties agree that this Guarantee may be enforced only by the action of the Collateral Agent and that no Secured Party shall have any right individually to seek to enforce this Guarantee or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent for the benefit of the Secured Parties upon the terms of the Loan Agreement.

Section 5.9 Application of Proceeds

All monies collected by the Collateral Agent under this Guarantee will be applied as provided in the Loan Agreement. To the extent any other Credit Document requires proceeds of collateral under such Credit Document to be applied in accordance with the provisions of this Guarantee, the Collateral Agent or holder under such other Credit Document shall apply such proceeds in accordance with this Section.

Section 5.10 Conflict

In the event of any conflict between the provisions of this Guarantee and the provisions of the Loan Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Loan Agreement will prevail to the extent of such conflict.

Section 5.11 Limitation Act

Notwithstanding the provisions of the *Limitations Act* (Alberta), a claim may be brought on this Guarantee at any time within 6 years from the date on which demand for payment of the Obligations is made to the Guarantor in accordance with the terms of this Guarantee.

Section 5.12 Governing Law

- (1) This Guarantee will be governed by, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (2) The Guarantor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Guarantee and the other Credit Documents to which it is a party. The Guarantor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Guarantor in the courts of any other jurisdiction.
- (3) The Guarantor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Guarantor at the address set forth in Section 5.1(a). Nothing in this Section affects the right of the Collateral Agent to serve process in any manner permitted by law.

Section 5.13 Electronic Execution and Counterparts

This Guarantee may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Guarantee.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Guarantor has executed this Guarantee as of the date first written above.

GRIFFON PARTNERS HOLDING CORP.

By: 

Name: Daryl Stepanic
Title: Chief Executive Officer

SCHEDULE "A"
GUARANTOR SECURITY DOCUMENTS

Fixed and floating charge debenture dated as of the date hereof made by the Guarantor to and in favour of the Collateral Agent, for the benefit of the Secured Parties.

Securities pledge agreement dated as of the date hereof made by the Guarantor to and in favour of the Collateral Agent, for the benefit of the Secured Parties.