

Action No. 2501-18462
E-File Name: EVK25CANACOL
Appeal No. _____

IN THE COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF EDMONTON

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

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF
CANACOL ENERGY LTD., 2654044 ALBERTA LTD., CANACOL
ENERGY ULC, 2498003 ALBERTA ULC, et al

P R O C E E D I N G S

Edmonton, Alberta
December 11, 2025

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Submissions by Mr. Pasquariello (Sealing Order) (Reply)

MR. PASQUARIELLO: Yes with respect, Sir, I specifically indicated I was going to speak after others in support and I've had -- Ms. Meyer confirmed she had nothing further. Mr. Oliver didn't speak up. I've spoken and now my friends come forward, Ms. Meyer with case law, on top of it having said she had nothing to add and Mr. Prophet not referencing anything.

Sir, this continues the unfortunate procedure unfairness that has continued throughout. I just will leave it at that. It's just extremely disappointing, Sir.

THE COURT: All right. Well, that is why I came back to you at the end, counsel.

Submissions by Ms. Meyer (Sealing Order) (Reply)

MS. MEYER: Sir, if I might just say very briefly on behalf of the Monitor, my submissions just now are made in reply. I had no notice whatsoever that Mr. Pasquariello was going to oppose the Sealing Order application. If he did mention that yesterday during his submission, my apologies in that I missed it. But in any event, I do submit that it is proper for reply. Thank you.

MR. PASQUARIELLO: It was in our brief.

Decision (Sealing Order)

THE COURT: All right. Thanks counsel. The request for restricted access order or a sealing order does compromise the open courts principle and whether or not one should be granted is of course governed by the authority that counsel refers to which we all know about, that being the *Sierra Club* case decided by the Supreme Court of Canada and as modified in *Sherman Estate*. The applicant must show on a balance of probabilities that court openness presents a serious risk to an important interest, that the order is necessary to prevent the risk because alternative measures are not adequate and that as a matter of proportionality, the risk -- the benefits outweigh the negative effects.

In Alberta and I imagine elsewhere in Canada, commercial interest have been found to be an important interest deserving of protection, particularly in the context of Court supervised insolvency proceedings. The risk here as explained to me by counsel is really twofold. First that the proportion of ownership of the DIP participation, if know, would adversely affect the internal governance. Counsel for Macquarie, who objects to the granting of the sealing

1 order says, well that is a private matter among a group of people or entities and does not
2 concern anyone else.

3
4 I do see merit in Canacol's position because this *CCAA* proceeding is not concluded. I do
5 not know if there is going to be further applications for increased advances, I do not know
6 whether it will be the same or different DIP lender. The possibility is present that it is the
7 same lender and therefore it is important for the *CCAA* proceeding that the governance of
8 this Group operate in an appropriate fashion. So I recognise the risk there.

9
10 Secondly, with regard to the operation of the bond market, Macquarie objects to the sealing
11 order on the basis that that is simply a speculative concern, no one here is an expert in bond
12 trading, no one can say. I agree that no one here at least has identified themselves as an
13 expert in bond trading, certainly I am not, but I think I accept as a matter of logic and
14 common sense that with regard to this body of bonds, the identity of the owners and
15 proportion of ownership in this loan, could influence the market one way or another.

16
17 So, the conclusion I reach is that there is a important public interest here and that is sensitive
18 commercial information that could affect an ongoing *CCAA* proceeding or the operation of
19 the bond market itself.

20
21 I do not know and it was not suggested to me, how any sort of lesser measure might be put
22 in place to alleviate that risk apart from a sealing order. It is also part of my duty to make
23 sure that whatever means is imposed to safeguard this information, it is the least intrusive
24 as possible. So that is usually achieved through limitation in the period of time that the
25 order would be in effect.

26
27 So my conclusion here is that test in *Sierra Club* and *Sherman Estate* is met. That the means
28 that have been suggested are the least intrusive in that it is specific in time. I cannot think
29 of nor has it been proposed to me, that some other way is going to achieve what is sought
30 here and so I grant the sealing order.

31
32 Okay. Counsel, I see that my next group has arrived for my 2:00 matter. So I am going to
33 invite those counsel on the previous matter to leave if they wish and I am going to move
34 onto the other matter.

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37 PROCEEDINGS CONCLUDED
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1 Certificate of Record

2

3 I, Zoe Wong, certify that this record is the record made of the proceedings of the evidence
4 in the proceedings in the Court of King's Bench, held in courtroom 516, virtual courtroom
5 86, at Edmonton, Alberta, on the 11th day of December, 2025, and that I and Esther
6 Budendwa, were the court officials in charge of the sound-recording machine during the
7 proceedings.

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1 **Certificate of Transcript**

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I, Tanner Zaherie, certify that

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(b) the Certificate of record for these proceedings was included orally on the record and is transcribed in this transcript.

TEZZ TRANSCRIPTION, Transcriber
Order Number: TDS-1099676
Dated: December 15, 2025