

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	MONDAY, THE 11 th
)	
JUSTICE DUNPHY)	DAY OF JUNE, 2018

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



AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DUNDEE OIL AND GAS LIMITED

APPROVAL AND VESTING ORDER

THIS MOTION, made by Dundee Oil and Gas Limited (“**DOGL**”) on its behalf and as general partner on behalf of Dundee Energy Limited Partnership (“**DELP**” and together with DOGL, the “**Debtors**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Debtors (the “**Seller**”) and Lagasco Inc. (the “**Purchaser**”) dated April 4, 2018 (as amended by agreement dated May 17, 2018 and as may be further amended from time to time, the “**Sale Agreement**”) and appended to the Third Report of the Monitor dated May 9, 2018 (the “**Third Report**”), and vesting in the Purchaser all of the Seller’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report of FTI Consulting Canada Inc. dated May 9, 2018, in its capacity as the Court-appointed monitor (the “**Monitor**”), the Supplement to the Third Report of the Monitor dated May 18, 2018 (the “**Supplemental Report**”), the Affidavit of Jane Lowrie sworn May 9, 2018, the

Supplementary Affidavit of Jane Lowrie sworn June 5, 2018 (the “**Supplemental Lowrie Affidavit**”), the Affidavit of Jordan Zakkai sworn June 7, 2018, and on hearing the submissions of counsel for the Monitor, the Debtors, the Purchaser, National Bank of Canada (the “**Bank**”) and the Crown, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Rachel Bengino sworn on May 10, 2018 and May 18, 2018, each filed:

1. **THIS COURT ORDERS AND DECLARES** that service of the Third Report, Supplemental Report, Motion Record and Supplemental Motion Record herein, either by way of the Assignment and Distribution Notice, the Newspaper Notice, the Trade Contract Assignment Notices (as each term is defined in the Third Report) or by actual service, is effective and sufficient notice of the relief sought by the Debtors in this Motion and service of the Motion Record is hereby validated and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that any capitalized term not otherwise defined herein has the meaning attributed to it in the Sale Agreement.
3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Seller is hereby ratified and approved, with such amendments as the Seller may deem necessary and as are approved by the Monitor and the Bank, including amendments to Schedules “A” and “B” to the Sale Agreement (for greater certainty, no Well may be removed from Schedule “A” without the consent of the MNRF). The Seller is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
4. **THIS COURT ORDERS** that the Monitor’s selection of the Purchaser as the Successful Bidder is hereby approved.

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Seller's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Regional Senior Justice Morawetz dated August 16, 2017 in connection with the Debtors' Notices of Intention to Make a Proposal pursuant to s. 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**NOI Proceedings**"); (ii) any encumbrances or charges created by the Order of the Honourable Justice Dunphy dated February 13, 2018 (the "**Initial Order**"); (iii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), *Land Titles Act* (Ontario) or any other personal or real property registry system; and (iv) those Claims listed on Schedules C-1 to C-6, inclusive, hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
6. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Elgin (#11) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B-1 hereto (the "**Elgin Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Elgin Real Property all of the Claims listed in Schedule C-1 hereto.

7. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Norfolk (#37) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B-2 hereto (the “**Norfolk Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Norfolk Real Property all of the Claims listed in Schedule C-2 hereto.
8. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Essex (#12) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B-3 hereto (the “**Essex Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Essex Real Property all of the Claims listed in Schedule C-3 hereto.
9. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Registry Division and/or Land Titles Division of Haldimand (#18) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B-4 hereto (the “**Haldimand Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Haldimand Real Property all of the Claims listed in Schedule C-4 hereto.
10. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Niagara South (#59) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B-5 hereto (the “**Niagara Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Niagara Real Property all of the Claims listed in Schedule C-5 hereto.

11. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Chatham-Kent (#24) of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B-6 hereto (the “**Chatham-Kent Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Chatham-Kent Real Property all of the Claims listed in Schedule C-6 hereto.
12. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
13. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.
14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Seller is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Seller’s records pertaining to the Seller’s past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Seller.
15. **THIS COURT ORDERS** that, notwithstanding:
 - (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Seller and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Seller;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Seller and shall not be void or voidable by creditors of the Seller, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

ASSIGNMENT OF AGREEMENTS

16. **THIS COURT ORDERS** that, subject to paragraph 23 of this Order, upon delivery of the Monitor's Certificate, all of the rights and obligations of the Seller under (i) the Leases (other than (a) the MNRF Leases; and (b) those Leases under which either Whittle Farms Inc., Marilyn Whittle or Harold Whittle is the lessor (collectively with the MNRF Leases, the "**Excluded Leases**") and (ii) the agreements set out in Schedule E hereto, which are Assumed Contracts under the Sale Agreement (together with the Leases other than the Excluded Leases, the "**Assigned Contracts**") shall be assigned to and assumed by the Purchaser, or such party as the Purchaser may designate prior to Closing (provided, however, that such designated party agrees to be bound by the terms of such Assigned Contracts and the Purchaser is not released from any obligations or liability thereunder), pursuant to section 11.3 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985. C. C-36, as amended ("**CCAA**").
17. **THIS COURT ORDERS** that that the assumption by the Purchaser of the rights and obligations of the Seller under the Assigned Contracts and the assignment of the Assigned Contracts to the

Purchaser pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contract relating to the assignment thereof, including any provision requiring the consent of any party to the assignment, and any counterparty to such Assigned Contract shall be forever barred, enjoined and estopped from enforcing the same against the Purchaser or Seller.

18. **THIS COURT ORDERS** that, except as otherwise addressed herein, the Seller's right, title and interest in the Assigned Contracts shall vest absolutely in the Purchaser free and clear of all encumbrances other than the Permitted Encumbrances.
19. **THIS COURT ORDERS** that each counterparty to the Assigned Contracts is prohibited from exercising any right or remedy under the Assigned Contracts by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of the Seller, the commencement of the NOI Proceedings, the commencement of these CCAA proceedings, or any failure of the Sellers to perform a non-monetary obligation under the Assigned Contracts.
20. **THIS COURT ORDERS** that on Closing, the Purchaser shall pay to the Monitor the amount owing by the Debtors to the counterparty under each Assigned Contract as at March 31, 2018, together with any amounts owing by the Debtors under each such Assigned Contract from April 1, 2018 until Closing (the "**Cure Amount**"). The Cure Amount for each Assigned Contract shall be determined by the Monitor in consultation with the Debtors and held by the Monitor in trust in one non-interest bearing account (the "**Cure Amounts Reserve**") solely for the benefit of the counterparty to the Assigned Contract to which such Cure Amount relates.
21. **THIS COURT ORDERS** that the Cure Amount for each Assigned Contract (collectively, the "**Cure Amounts**") does not constitute Property or proceeds of the Property. The Monitor is authorized and directed to, within 30 days after Closing, pay from the Cure Amounts Reserve the Cure Amount (other than any Disputed Cure Amount, as defined below) with respect to each

applicable Assigned Contract, in full and final satisfaction of any Cure Amount owing to the counterparty to the applicable Assigned Contract.

22. **THIS COURT ORDERS** that, notwithstanding the foregoing, in addition to all obligations under the Assigned Contracts arising from and after the Closing Date, for which the Purchaser shall be liable, the Purchaser shall be liable for and shall timely pay to the counterparties under the Assigned Contracts any and all charges under the Assigned Contracts that may have accrued prior to Closing or are attributable or related to a period prior to Closing, but which do not come due until on or after the Closing Date by their terms.

23. **THIS COURT ORDERS** that if, on or before May 22, 2018, a counterparty to an Assigned Contract has notified the Monitor in writing in the manner set out in the Assignment and Distribution Notices or the Trade Contract Assignment and Distribution Notices, as applicable (as each such term is defined in the Third Report) (an “**Objecting Counterparty**”) that it objects to the Cure Amount payable under its Assigned Contract (a “**Disputed Assigned Contract**”), the Purchaser, in consultation with the Monitor, is authorized and empowered to elect to (a) not assume the Disputed Assigned Contract, in which case the Purchaser shall not be obligated to pay the applicable Cure Amount to the Monitor on Closing, provided that there shall be no adjustment to the Purchase Price; (b) pay to the Monitor on Closing the Cure Amount claimed by or otherwise acceptable to the Objecting Party for disbursement to the Objecting Counterparty in accordance with paragraph 21 of this Order; or (c) postpone for a period of not more than 60 days after Closing the assumption of the Disputed Assigned Contract pending the resolution of such dispute among the Objecting Counterparty and the Purchaser or by further Order of the Court, in which case the Cure Amount claimed by the Objecting Counterparty (the “**Disputed Cure Amount**”) shall be paid by the Purchaser to the Monitor on Closing and held by the Monitor as part of the Cure Amounts Reserve pending resolution of such dispute or further order of the Court. The Purchaser may, at any time after Closing, by written notice to the Monitor and the Objecting Counterparty, elect not

to assume a Disputed Assigned Contract subject to dispute as described in subparagraph (c) above, in which case the Monitor shall return the Disputed Cure Amount to the Purchaser, provided that there shall be no adjustment to the Purchase Price. Notwithstanding the dispute, the assignment and assumption of the Disputed Assigned Contract pursuant to paragraph 17 of this Order is valid and binding in all respects and the Objecting Counterparty's recourse is limited to the Disputed Cure Amount unless the Purchaser elects not to assume the Disputed Assigned Contract, in which case the assignment and assumption of the Disputed Assigned Contract shall cease to be effective, provided that there shall be no adjustment to the Purchase Price. If it is determined that, in accordance with this paragraph 23, the Objecting Counterparty is not entitled to the full amount of the Disputed Cure Amount, the Monitor is hereby directed to distribute the portion, if any, of the Disputed Cure Amount to which such Objecting Counterparty is entitled and return any excess portion of the Disputed Cure Amount to the Purchaser.

24. **THIS COURT ORDERS** the Monitor, on behalf of the Seller, to send a copy of this Order to all of the counterparties to the Assigned Contracts other than the Leases. The notice set out in the Assignment and Distribution Notice specifying that this Order, if granted, will be posted on the Monitor's Website on May 23, 2018, shall be deemed to constitute sufficient notice to the Lease counterparties pursuant to s. 11.3(5) of the CCAA.

25. **THIS COURT ORDERS AND DIRECTS** the Seller to, prior to Closing, seek a further Order of the Court directing each applicable Land Registry Office and/or Land Titles Office to enter the Purchaser as the lessee under each of the applicable Leases and to delete and expunge from the title to the freehold properties against which notices of the Leases and related instruments are registered all of the instruments registered in favour of the Bank in connection with the Leases, with all other instruments registered against the title to any one or more of such properties constituting Permitted Encumbrances.

RESERVES AND DISTRIBUTIONS TO NATIONAL BANK OF CANADA

26. **THIS COURT ORDERS** that the Purchaser is directed on Closing to pay all outstanding royalties owing with respect to the MNRF Leases to the Monitor, which the Monitor shall immediately distribute to the MNRF at the direction of the MNRF and does not constitute Property or proceeds of the Property.
27. **THIS COURT ORDERS** that the Purchaser is directed on Closing to either (a) pay up to \$235,000 (the “*Miss Libby Reserve*”), being a portion of the Purchase Price allocated to the sale of *Miss Libby*, to the Bank and/or Nadro Marine Services Limited in accordance with a written direction from the Bank and Nadro (the “**Direction**”); or (b) if the Direction has not been delivered to the Purchaser at least three Business Days prior to Closing, pay the Miss Libby Reserve to the Monitor, which shall be held by the Monitor pending receipt of a Direction or further Order of the Court.
28. **THIS COURT ORDERS** that the Purchaser is directed on Closing to pay to the Monitor \$200,000 of the Purchase Price to fund a reserve (the “**Professional Fee Reserve**”) which shall be utilized to fund the professional fees and expenses of the Debtors and their legal counsel, the Monitor and its legal counsel and the Bank and its legal counsel (collectively, the “**Professional Fees**”). The Monitor is authorized and empowered, without further Order of the Court, to disburse from the Professional Fee Reserve, from time to time, amounts owing by the Debtors in respect of Professional Fees. Any amounts remaining in the Professional Fee Reserve after the completion of these CCAA proceedings and the discharge of the Monitor shall be distributed to the Bank.
29. **THIS COURT ORDERS** that, on Closing, the Purchaser is hereby irrevocably authorized and directed to pay to the Bank the net amount of the cash portion of the Purchase Price, net of the Deposit, which amount shall be on account of first, the obligations owing by the Debtors to the Bank under and pursuant to a second amended and restated forbearance agreement dated as of February 13, 2018, as amended (the “**DIP Obligations**”) and second, the secured obligations owing

by the Debtors to the Bank under and pursuant to an amended and restated credit agreement dated as of the July 31, 2012, as amended (the “**Secured Obligations**”). The Monitor is hereby authorized and directed, without further Order of the Court, to (i) on Closing, transfer the Deposit, net of the *Miss Libby* Reserve and the Professional Fee Reserve (the “**Net Deposit Amount**”) to the Seller’s account with the Bank, and (ii) transfer any and all future receipts or proceeds (the “**Future Receipts**”) that may be received by the Monitor after Closing to the Seller’s account with the Bank. Immediately upon receipt by the Seller, the Seller is hereby irrevocably ordered and directed to transfer the Net Deposit Amount and the Future Receipts to the Bank up to the maximum aggregate amount of the DIP Obligations and the Secured Obligations without deduction or set off.

CHARGES

30. **THIS COURT ORDERS** that, upon Closing, the Proposal Administration Charge and CCAA Administration Charge (each as defined in the Initial Order) shall be reduced to an aggregate amount of \$200,000 and shall continue to charge the Property, including the Professional Fee Reserve, from and after the Closing Date.
31. **THIS COURT ORDERS** that, upon Closing, the Proposal DIP Charge, the CCAA DIP Charge, the Proposal Directors’ Charge and the CCAA Directors’ Charge (each as defined in the Initial Order) are hereby terminated, released and discharged.

STAY EXTENSION

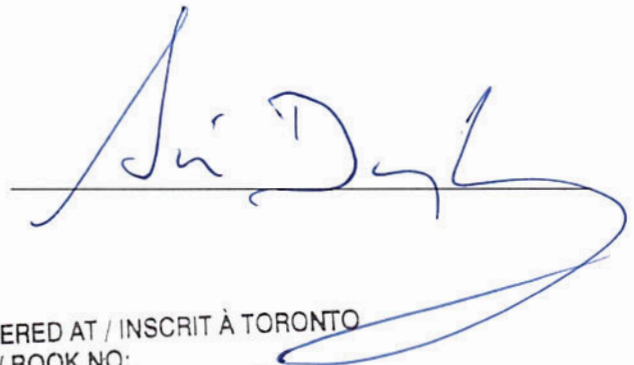
32. **THIS COURT ORDERS** that the Stay Period as ordered and defined in paragraph 17 of the Initial Order is hereby extended until and including September 28, 2018.

GENERAL

33. **THIS COURT ORDERS** that the Summary of Final Bids, attached as Confidential Appendix “A” to the Third Report, the unredacted Sale Agreement, attached as Confidential Appendix “B” to the

Third Report, and the Purchaser's balance sheet, attached as Confidential Exhibit "1" to the Supplemental Lowrie Affidavit are hereby sealed pending Closing and shall not form part of the public record.

34. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the Initial Order, the Monitor shall not be liable for any act or omission on the part of the Monitor pertaining to the discharge of its duties under this Order, save and except any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA, any other federal or provincial applicable law, the Initial Order or any other orders in this proceeding.
35. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Seller and the Monitor in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Seller and the Monitor as may be necessary or desirable to give effect to this Order or to assist the Seller and the Monitor in carrying out the terms of this Order.



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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 11 2018

PER / PAR:



SCHEDULE “A”

Court File No. CV-18-591908-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DUNDEE OIL AND GAS LIMITED

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of Justice Dunphy of the Ontario Superior Court of Justice (the “**Court**”) dated February 13, 2018, FTI Consulting Canada Inc. was appointed as the monitor (the “**Monitor**”) of Dundee Oil and Gas Limited (“**DOGL**”).

B. Pursuant to an Order of the Court dated June 11, 2018, the Court approved the agreement of purchase and sale made as of April 4, 2018 (as amended by agreement dated May 17, 2018 and as may be further amended from time to time, the “**Sale Agreement**”), between Dundee Energy Limited Partnership, by its general partner, DOGL, and DOGL (together, the “**Seller**”), and Lagasco Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Seller's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in articles 11 and 12 of the Sale Agreement have been satisfied or

waived by the Seller or the Purchaser, as applicable; and (iii) the sale transaction has been completed to the satisfaction of the Seller and the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Seller has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in articles 11 and 12 of the Sale Agreement have been satisfied or waived by the Seller and the Purchaser; and
3. The sale transaction has been completed to the satisfaction of the Seller and the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____, 2018.

**FTI CONSULTING CANADA INC.,
solely in its capacity as Monitor of
Dundee Oil and Gas Limited and not in
its personal or corporate capacity**

Per: _____
Name:
Title:

SCHEDULE B-1

PIN 35151-0124 (LT)

LOTS L, M, PLAN 39 SOUTHWOLD; T/W E332030 EXCEPT THE EASEMENT THEREIN
(SECONDLY & THIRDLY & FOURTHLY DESCRIBED); SOUTHWOLD

PIN 35323-0141 (LT)

PART OF LOT 11 CON 1 BAYHAM DESIGNATED AS PART 3, 11R5136; BAYHAM

SCHEDULE B-2

PIN 50256-0253 (LT)

PT LT 18 CON 2 WOODHOUSE PT 1, 37R3413; NORFOLK COUNTY

SCHEDULE B-3

PIN 75097-0449 (LT)

PT LT 243 CON NTR MERSEA (LEAMINGTON) PT 1 & 2, 12R15539; LEAMINGTON; SUBJECT TO AN EASEMENT IN GROSS OVER PART 3 PL 12R24008 UNTIL 2020/05/28 AS IN CE425872

PIN 75119-1094 (LT)

PT LT 12 CON 1 MERSEA, DESIGNATED AS PTS 1, 2, 3 & 4 PL 12R26031; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 2 & 3 PL 12R26031 AS IN R1331689; MUNICIPALITY OF LEAMINGTON

SCHEDULE B-4

PIN 38124-0159 (R)

PT SHERBROOKE MARSH SHERBROOKE; PT RDAL BTN CON 2 AND CON 3 SHERBROOKE (CLOSED BY UNREGISTERED BYLAW #3); PT LT A PL 776; PT WATER LT IN FRONT OF LT A PL 776 PT 3 & 5 18R3978 AND PT 1 18R4368; T/W HC219461; HALDIMAND COUNTY

PIN 38126-0072 (LT)

PT LT 16 CON 2 SHERBROOKE PT 1-2 18R1610 & PT 1 18R4958 EXCEPT PT 1 18R4513; HALDIMAND COUNTY

SCHEDULE B-5

PIN 64243-0080 (LT)

PT LT 7 CON 8 NIAGARA RIVER BERTIE AS IN RO667569; FORT ERIE

SCHEDULE B-6

PIN 00834-0004 (LT)

PT LT 13, CON 3 (ROMNEY), PART 1, 24R4082 S/T 470227, TOGETHER WITH EASEMENT OVER PART LOT 13, CON. 3, ROMNEY DESIGNATED AS PART 1, 24R8264 AS IN CK32201; CHATHAM-KENT

PIN 00852-0041 (LT)

PT LTS 179 & 180, CON TALBOT RD SURVEY, & PT OF THE RD ALLOWANCE BTN LTS 179 & 180 CLOSED BY BY-LAW 79123, PTS 1, 2 & 3, 24R5141 EXCEPT ALL MINERAL RIGHTS, MINES & MINERALS WHETHER SOLID, LIQUID OR GASEOUS ALREADY FOUND OR WHICH MAY BE FOUND TO EXIST WITHIN, UPON OR UNDER PT 3, 24R5141 S/T RO12117 & RO11448; S/T INTEREST, IF ANY, IN 79124; ROMNEY

PIN 00852-0042 (LT)

PT LT 179, CON TALBOT RD SURVEY, DESIGNATED AS PART 1, 24R 5465 S/T 84979; ROMNEY

PIN 00852-0044 (LT)

PT LT 179, CON TALBOT RD SURVEY , PART 6 , 24R5141 , EXCEPT ALL MINERAL RIGHTS, MINES & MINERALS WHETHER SOLID, LIQUID OR GASEOUS ALREADY FOUND OR WHICH MAY BE FOUND TO EXIST WITHIN, UPON OR UNDER PT 6, 24R5141 S/T RO12117 ; ROMNEY ; DESCRIPTION AMENDED 1997/03/19 BY R. PINSONNEAULT

PIN 00678-0047 (LT)

PT LT 96 CON BROKEN FRONT HOWARD PT 1 & 2 24R1236; S/T 75015 PARTIALLY SURRENDERED BY 260870; CHATHAM-KENT

SCHEDULE C-1 – Claims to be deleted and expunged from title to the Elgin Real Property

PIN 35151-0124 (LT)

1. Charge in favour of National Bank of Canada (“NBC”) securing the principal amount of \$150,000,000.00 registered as Instrument No. CT58564 on June 30, 2010.

PIN 35323-0141 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CT58566 on June 30, 2010.

SCHEDULE C-2 – Claims to be deleted and expunged from title to the Norfolk Real Property

PIN 50256-0253 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. NK35252 on June 30, 2010.

SCHEDULE C-3 – Claims to be deleted and expunged from title to the Essex Real Property

PIN 75097-0449 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CE430703 on June 30, 2010.

PIN 75119-1094 (LT)

1. Notice of Charge of Lease in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CE442705 on September 27, 2010; and
2. Notice of Charge of Lease in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CE443071 on September 29, 2010.

SCHEDULE C-4 – Claims to be deleted and expunged from title to the Haldimand Real Property

PIN 38124-0159 (R)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. HC304542 on June 30, 2010.

PIN 38126-0072 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CH25140 on June 30, 2010.

SCHEDULE C-5 – Claims to be deleted and expunged from title to the Niagara Real Property

PIN 64243-0080 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. SN285496 on June 30, 2010.

SCHEDULE C-6 – Claims to be deleted and expunged from title to the Chatham-Kent Real Property

PIN 00834-0004 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CK46854 on June 30, 2010; and
2. Notice of Charge of Lease in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CK50969 on November 4, 2010.

PIN 00852-0041 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CK46852 on June 30, 2010.

PIN 00852-0042 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CK46852 on June 30, 2010.

PIN 00852-0044 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. CK46852 on June 30, 2010.

PIN 00678-0047 (LT)

1. Charge in favour of NBC securing the principal amount of \$150,000,000.00 registered as Instrument No. R669693 on June 30, 2010.

SCHEDULE D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property described in Schedules “B-1” to “B-6”, inclusive (collectively, the “Real Property”)

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Real Property means:

- (a) All of the Permitted Encumbrances affecting the Real Property set out in the Sale Agreement to the extent not otherwise set out herein;
- (b) All of the instruments set out in this Schedule “D”;
- (c) the exceptions and qualifications set out in the *Land Titles Act* (Ontario) and the *Registry Act* (Ontario), as applicable to each portion of the Real Property, as well as any other exceptions and/or qualifications set out on any of the parcel registers for the Real Property, as well as all instruments registered on title to the Real Property or any portion thereof, save and except for those instruments that are set out in Schedules “C-1” to “C-6” hereto;
- (d) The reservations, limitations, provisos and conditions expressed in any grants or transfers from the Crown and statutory exceptions to title;
- (e) Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
- (f) Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due;
- (g) Any encroachments, minor defects or irregularities indicated on any survey of the Real Property or any portion thereof or which may be disclosed on an up-to-date survey of the Real Property or any portion thereof;
- (h) Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
- (i) Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
- (j) Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
- (k) agreements and/or plans relating to pooling or unitization of any portion of the Real Property or the Debtors’ interest therein; and
- (l) Defects or irregularities in title to the Property.

Without in way limiting the generality of the foregoing, the Permitted Encumbrances shall include the following specific instruments registered against the title to the Real Property or any portion thereof:

A. THE ELGIN REAL PROPERTY

PIN 35151-0124 (LT)

None

PIN 35323-0141 (LT)

1. Notice registered on July 16, 2013 as Instrument No. CT95079 by Dundee Oil and Gas Limited (“**Dundee**”).

B. THE NORFOLK REAL PROPERTY

PIN 50256-0253 (LT)

1. Notice of Claim registered on March 29, 2000 as Instrument No. NR545686 by Glenerd Limited with respect to various gas leases.

C. THE ESSEX REAL PROPERTY

PIN 75097-0449 (LT)

1. By-law registered on April 1, 1970 as Instrument No. R465228;
2. Pooling Agreement registered on July 26, 1996 as Instrument No. R1352002 between The Lake Erie and Detroit River Railway Company (“**Railway**”) and Pembina Exploration Limited (“**Pembina**”) with respect to drilling arrangements pursuant to an oil and gas lease;
3. Unitization Agreement registered on July 26, 1996 as Instrument No. R1352003 between Railway and Pembina with respect to drilling arrangements pursuant to an oil and gas lease;
4. Application to Annex Restrictive Covenants registered on September 24, 1996 as Instrument No. R1358630Z and containing restrictions relating to fencing and drainage;
5. Notice of Determination/Surrender of Lease registered on March 30, 2004 by Talisman Energy Inc. (“**Talisman**”);
6. Application to Amend Based on Court Order registered on May 26, 2010 as Instrument No. CE425218 amending the legal owner to Talisman; and
7. Transfer of Easement registered on May 28, 2010 as Instrument No. CE425872 in favour of Cogeco Cable Canada GP Inc.

PIN 75119-1094 (LT)

1. By-law registered on August 27, 1963 as Instrument No. R286958;
2. Agreement to Lease registered on October 5, 1982 as Instrument No. R864005;
3. Order of the Ontario Energy Board registered on March 9, 1994 as Instrument No. R1265517;
4. Assignment General registered on October 18, 1994 as Instrument No. R1289597;
5. Easement Agreement registered on January 4, 1996 as Instrument No. R1331689;
6. Agreement registered on April 4, 2000 as Instrument No. 1488244 among Paul Miehle and Rose Miehle and The Municipality of Leamington;
7. Declaration registered on January 15, 2001 as Instrument No. R1506492;
8. Notice of an Agreement registered on December 9, 2004 as Instrument No. CE120335 among Paul Miehle, Rose Miehle, Thomas Miehle and Talisman;
9. Notice of an Agreement registered on December 9, 2004 as Instrument No. CE120335 among Paul Miehle, Rose Miehle, Thomas Miehle and Talisman;
10. Notice of Assignment of Lessee Interest registered on July 15, 2010 as Instrument No. CE432738 between Talisman and Dundee;
11. Notice of Agreement registered on July 15, 2010 as Instrument No. CE432785 between Talisman and Dundee;
12. Notice registered on April 2, 2015 as Instrument No. CE653021 among John Miehle, Thomas Miehle and Dundee; and
13. Notice registered on April 10, 2015 as Instrument No. CE653716 among John Miehle, Thomas Miehle and The Corporation of the Municipality of Leamington.

D. THE HALDIMAND REAL PROPERTY

PIN 38124-0159 (R)

None

PIN 38126-0072 (LT)

1. Notice of Lease registered on May 9, 1996 as Instrument No. HC227035 in favour of The Consumers' Gas Company Ltd. ("**Consumers**"); and

2. Notice of Lease registered on March 7, 2016 as Instrument No. CH65335 in favour of Enbridge Gas Distribution Inc.

E. THE NIAGARA REAL PROPERTY

PIN 64243-0080 (LT)

1. By-law registered on July 31, 1969 as Instrument No. RO106181 designating areas of subdivision control.

F. THE CHATHAM-KENT REAL PROPERTY

PIN 00834-0004 (LT)

1. Agreement of Lease registered on August 31, 1978 as Instrument No. 334572 between Robert Kenneth Renwick and Mabel Elizabeth Renwick (collectively, the "**Renwicks**"), as Lessor, and Anshutz (Canada) Exploration Ltd., as Lessee, being a petroleum and natural gas lease (the "**Oil and Gas Lease**");
2. Assignment of the Oil and Gas Lease registered on December 31, 1987 as Instrument No. 454241 between Pembina and Consumers;
3. Transfer/Deed of Land registered on January 20, 1989 as Instrument No. 470227 from the Renwicks to Consumers and containing a reservation in favour of the Renwicks, their heirs, executors, administrators and assigns all petroleum, natural gas and related hydrocarbons and all minerals, substances and other gases within, upon or under the lands;
4. Notice of Assignment of Leases registered on October 31, 1994 as Instrument No. LT4321 between Consumers and Pembina;
5. Notice registered on October 1, 2002 as Instrument No. LT39326 between the Renwicks and Talisman relating to Instrument Nos. 334572, 45421 and LT4321 described in items 1, 2 and 4 above; and
6. Notice of Assignment of Lessee Interest registered on October 28, 2010 as Instrument No. CK49588 from Talisman to Dundee and relating to Instrument No. 334572

PIN 00852-0041 (LT)

1. Indenture registered on July 8, 1954 as Instrument No. RO12117 between Union Gas Company of Canada, Limited ("**Union Gas**"), as Grantor, and Consolidated West Petroleum Ltd. ("**Consolidated West**"), as Grantee, pursuant to which Union Gas reserved all mining rights, mines and minerals, whether solid, liquid or gaseous already found or which may be found to exist within, upon or under the lands with full liberty of ingress, egress and regress in, to and upon the lands for operations thereon relating to such mines and minerals;

2. Deed of Land registered on an indeterminate date as Instrument No. RO11448 from Union Gas to an illegible grantee pursuant to which Union Gas reserved similar rights to those set out in Instrument No. RO12117 and described in item 1 above;
3. Deed of Land registered on April 26, 1956 as Instrument No. 79124 from The Corporation of the Township of Romney to Consolidated West, which deed is stipulated to be subject to any presently existing drains or drainage rights affecting the lands;
4. Notice of Claim registered on May 16, 1991 as Instrument No. 502724 by Union Gas Limited (“UGL”) in connection with a Right-of-Way Agreement from 1908;
5. Assignment of Lease registered on April 30, 1992 as Instrument No. 516030 between UGL and Lakeville Holdings Inc. (“Lakeville”) with respect to an assignment of various oil and gas leases; and
6. Application to Change Name – Instrument registered on May 13, 2011 as Instrument No. CK57497 changing the name of Lakeville to Lagasco Inc. (“Lagasco”).

PIN 00852-0042 (LT)

1. Transfer of Easement registered on January 7, 1957 as Instrument No. 84979 in favour of Consolidated West;
2. Notice of Claim registered on May 16, 1991 as Instrument No. 502724 by UGL in connection with a Right-of-Way Agreement from 1908;
3. Assignment of Lease registered on April 30, 1992 as Instrument No. 516030 between UGL and Lakeville with respect to an assignment of various oil and gas leases; and
4. Application to Change Name – Instrument registered on May 13, 2011 as Instrument No. CK57497 changing the name of Lakeville to Lagasco.

PIN 00852-0044 (LT)

1. Indenture registered on July 8, 1954 as Instrument No. RO12117 between Union Gas, as Grantor, and Consolidated West, as Grantee, pursuant to which Union Gas reserved all mining rights, mines and minerals, whether solid, liquid or gaseous already found or which may be found to exist within, upon or under the lands with full liberty of ingress, egress and regress in, to and upon the lands for operations thereon relating to such mines and minerals;
2. Notice of Claim registered on May 16, 1991 as Instrument No. 502724 by UGL in connection with a Right-of-Way Agreement from 1908;
3. Assignment of Lease registered on April 30, 1992 as Instrument No. 516030 between UGL and Lakeville with respect to an assignment of various oil and gas leases; and
4. Application to Change Name – Instrument registered on May 13, 2011 as Instrument No. CK57497 changing the name of Lakeville to Lagasco.

PIN 00678-0047 (LT)

1. Right of Way Agreement registered on October 25, 1955 as Instrument No. 75015 in favour of Union Gas Co. of Canada Ltd. with respect to gas pipelines;
2. Agreement of Lease registered on November 26, 1970 as Instrument No. 221429 in favour of Leonard A. Pegg relating to natural gas production and wells ;
3. Surrender of Lease registered on September 18, 1973 as Instrument No. 260870 wherein Union Gas Ltd. partially surrenders the right of way in Instrument No. 75015 described in item 1 above;
4. Agreement registered on February 4, 1974 as Instrument No. 266197 between Union Gas Ltd. and Leonard A. Pegg relating to Instrument Nos. 75015 and 260870 described in items 1 and 3 above, respectively;
5. Assignment of Lease registered on December 19, 2002 as Instrument No. 621289 between The Estate of Leonard Arthur Pegg, Charles W. Pegg and Eriebrook Energy Ltd. relating to various oil and gas leases that are no longer registered against the title; and
6. Notice of Claim registered on December 19, 2002 as Instrument No. 621290 in favour of Eriebrook Energy Ltd. and relating to Instrument No. 221429 described in item 2 above.

SCHEDULE E

Assumed Contracts under the Sale Agreement

Vendor/Customer	Contract Name	Contract Type
American Refining Group, Inc.	American Refining Group - Crude Oil Purchase/Sale Agreement	Marketing
American Refining Group, Inc.	Marketing Agreement-2nd Amendment-377082 American Refining Group 31-01 2017	Marketing
American Refining Group, Inc.	3rd Amendment to Dundee-ARG Executed Agreement April 1 2017	Marketing
Enbridge Gas Distribution Inc.	Enbridge Gas Distribution Inc. Gas Exchange Agreement	Marketing
Enerflex	Enerflex Equipment Rental	Vendor
Quest Automotive Leasing Services	Master Lease Agreement	Vendor
Shell Chemicals Canada	NGL Shell Canada-Shell Chemicals 01-Apr-2013	Marketing
Shell Chemicals Canada	Shell Canada Energy - N.G.L Purchase Contract	Marketing
Union Gas Ltd.	Union Gas-Ontario Production Gas Purchase Agreement	Marketing
Union Gas Ltd.	Marketing Agreement-377045 Union Gas - M13 Transportation & Producer 25-Jun-2013	Vendor
Williamson Leasing (now Pattison)	Master Lease Agreement	Vendor

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DUNDEE OIL AND GAS LIMITED**

Court File No.: CV-18-591908-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

APPROVAL AND VESTING ORDER

GOWLING WLG (CANADA) LLP

Barristers and Solicitors
1 First Canadian Place, Suite 1600
100 King Street West
Toronto, ON M5X 1G5

E. PATRICK SHEA (LSO# 39655K)

Email: patrick.shea@gowlingwlg.com
Tel: (416) 369-7399
Fax: (416) 862-7661

Lawyers for the Applicant